

Written Statement of Core Services

The Association is a registered factor under the Property Factors (Scotland) Act 2011. Our Registration number is PF000225. The Association will comply with the Code of Conduct under that Act.

Charing Cross Housing Association aims to provide a quality service to owners whilst maintaining value for money and offering owners the benefit of our expertise and experience in repairs and maintenance.

The Associations' authority to act as Factor comes from one of the following:

- by custom and practice with no formal agreed level of authority
- by appointment on completion of a new build or rehabilitation contract
- or by decision of the majority of homeowners with signed factoring mandates.

The authority for your close will be specified in the Written Statement which is available upon request from this office. This document also outlines the Associations' ownership interest in your close, the title deed shares for each property in the close and the arrangements for appointment and removal of the factor.

Services provided by the Association are as follows:

Repairs

The Association's main service includes dealing with common repairs. These are categorised as follows:

EMERGENCY

Where there is a danger to people or property e.g. severe flooding from common parts, structural problems, gas leaks, storm damage (weather permitting) or sewage leakage into common parts.

URGENT

Where there is loss of service to the residents, or where not carrying out the repair would result in further damage to the property.

ROUTINE

Where the repair can wait its turn without causing a serious inconvenience to the residents

The target timescales **(2021-22)** for these categories are as follows:

- Emergency – make safe within 4 hours
- Urgent - 4 working days
- Routine – 8 working days.

The Association provides a courtesy out of hours' service for emergencies to the common parts only. The Contractor is City Building and the phone number is 0800 595595.

The Association will process any common repairs reported to us as above. Where repairs are reported to us which are as a result of a private fault, we will seek to resolve the matter with the owner/s responsible.

Any common repairs carried out by the Association will be apportioned as per the Title Deeds for your property and added to your factoring account if the cost is less than a £100 per property **(2021/22)**.

For larger repairs over £100 per property or for repairs such as close painting, monies are ingathered from owners prior to the works being instructed. If some owners do not pay in advance, the Association may have to cancel the works, in which case any payments received will either be returned or will be credited to owners' factoring accounts and owners will be advised that the works are not being taken forward.

In certain cases, we may agree to progress the repairs and add the unpaid costs to the non-paying owner/s' factoring accounts – this is entirely at the Association's discretion. Other owners also have the option to pay the non-paying owner's share of costs but the Association cannot take legal action against the non-paying owner to recover these costs, nor would we pursue the debt - although the paying owners can.

In cases where the work exceeds £100 per property and it is an emergency situation, the Association reserves the right to instruct the works and add the costs to owners' factoring accounts. Owners are notified in writing should this eventuality occur.

If the emergency service is called to a property to deal with what turns out to be a private repair, then the property at the source of the repair will be responsible for the cost of this call and any repairs carried out. It is the owners' responsibility to ensure that the Association and neighbours are supplied with their current contact details.

The Association will not become involved in disputes with contractors, developers, or third-party warranty organisations' in respect of defects or latent defects in buildings which have had works carried out or been constructed prior to the Association taking on the factoring service.

Major Repairs

The Association does not have a programme of major repairs for closes in which we have no ownership. In these closes, major repairs will only be carried out where owners request it and all owners agree to the works and pay their share of the costs in advance.

The Association has a programme for major repairs for closes in which it has ownership. Where these repairs are common, owners will be advised and consulted on the need and extent of the works and the process and timetable for carrying out the works. The cost of these repairs will be apportioned as per the Title Deeds for the property and will be payable in advance of the works being carried out. The Association will advise owners on availability of Council grant for such works and will liaise with owners to apply for such grants.

Appointment and monitoring of Contractors

The Association has procured a Framework for its reactive maintenance contractors through Public Contracts Scotland for 2018-2022. All contractors had to be registered (and maintain their registration) with Construction-line as a condition of eligibility to apply for the framework.

The Association also uses some contractors out with the Framework, for example for specialist work such as rot works. Contractors' performance is monitored on a monthly basis and reports are regularly made to Committee. Contractors are given monthly feedback on their performance. Any complaints about Contractors' performance are dealt with by Maintenance Staff when the complaint is made. We will pursue the contractor for a satisfactory resolution. The Association's Maintenance Officers carry out post inspections of contractors' work against a target which is reviewed annually. No commission, fee, payment or benefit is received by the Association in connection with the appointment of any Contractors.

The Out of Hours service is provided by City Building, separately from the Framework. This is reviewed on an annual basis and their appointment is approved annually by the Association's Technical Services Committee.

Setting up Factoring services

When owners approach the Association for factoring services, the Association will assess whether the property complies with the Association's criteria for provision of factoring services. If the property does comply, owners are provided with a copy of our Factoring Application Form, a list of our current factoring charges, the block buildings insurance policy summary document and the appropriate number of Common Factoring Authority Forms. They are asked to complete the Factoring Application Form and return it to the Association along with all of the signed Common Factoring Authority Forms, deposit cheques and a copy of the title deeds for each property as soon as possible. (If an owner cannot provide a copy of their title deeds, the Association will obtain a copy from the Registry of Scotland at a charge of £15 + VAT payable in advance. Owners will be provided with a copy of their Deeds if they so request). If there are any commercial premises within the close, the Association will correspond with the owner of the premises rather than any tenant.

The Factoring Application Form asks the owners for details of the current block building insurance policy, its expiry date and confirmation of the reinstatement value. The owners are advised early in the process (i.e. in the initial letter or email) that if there is no block buildings policy in place and there is no information on the current reinstatement value for the property then the Association will obtain a fee quote for a reinstatement valuation survey and this cost will be paid in advance by the owners. When all of the payments are received the Surveyor will be instructed and a copy of the final report will be given to the owners and the Association's broker so that the level of cover and annual premium can be established. When the Association is in receipt of the Application form and associated documents the Technical Services Officer will approach its Insurance Broker for details of the annual insurance premium amount payable. If the owners are happy with the annual insurance premium quote based on the reinstatement valuation provided then an inspection of the property will be arranged. This will cover all of the accessible common parts of the tenement or block of flats and provide a detailed report on its condition with accompanying photographs. Any repairs of an urgent or serious nature will be identified. When the common parts have been inspected the property is then discussed at the appropriate Committee Meeting and a decision made as to whether or not the Association is agreeable to providing factoring services.

If the members of the Committee agree that the Association should assume the management of the building then we will approach the current Factor and the owners and agree a commencement date.

When a handover date has been agreed, the pro-rata buildings insurance premium due for the building from the date of commencement will be obtained from the Insurers. The total insurance premium due for the period concerned will be apportioned between the owners as per the Title Deed Shares and they will be asked to pay the relevant amount upfront and complete & return monthly standing order forms.

Once all of the premiums have been paid and the monthly standing order forms have been received the Association will confirm to the owners that the deposit and insurance premium cheques will be cashed and the property is to be managed and insured from the agreed date. The Association will then add the property onto its database, and Welcome Packs will be issued to Owners which introduces staff, gives information about services, etc, and encloses a Written Statement of Core Services and an appendix for the property. Cyclical Maintenance costs will be obtained and services implemented. The Deposit will become the Float and will be reimbursed to the Owner on sale of their property or when the Association ceases to provide factoring services to the building where it has not already been offset against the owners' factoring account.

In order to cover all the administration involved in the above process, the Association will increase the Factoring Administration charge by £40 per flat/shop (£20 in May and £20 in November) for the first year of the service.

Gutter Cleaning

Unless the majority of owners ask to opt out, the Association provides gutter cleaning services at all buildings where we provide a factoring service. This service is provided as standard to keep gutters running clear and to reduce chokes that can cause water ingress problems and expensive repairs. This service is provided on an annual, bi-annual or quarterly basis as required and is tendered as a contract for all the Association owned and factored stock on a close by close basis, normally on a 3 year term to achieve the most competitive costs. The resulting cost per close is split between all owners in that close as per the Title Deeds.

Attic Inspections

The Association carries out attic inspections on a 5 year cycle at every property we factor. We do this to catch any problems in the roof space that need attention and have not been brought to light through general maintenance of the property. This allows us to identify issues such as rot, rodent problems and water ingress. The cost for this work is split between all owners in the property as per the Title Deeds.

Roof Anchors

It is also necessary that roof anchors are in place on the roof and inspected annually to allow contractors to carry out their duties in a safe manner.

Anchor inspections are tendered as a contract for all Association owned and factored stock on a close by close basis, normally on a 5 year term to achieve the most competitive costs. The resulting cost per close is split between all owners in that close as per the Title Deeds.

Contract Services

Where buildings include items such as lift(s), smoke vents, pressurisation systems, fire alarm systems, water pumps, lightening protection, dry risers, stored water tanks etc., the Association will enter into Maintenance Contracts with specialist firms. Information on these contracts will be included in the Written Statements for affected properties. The Association reserves the right to charge an increased Factoring Administration Charge for such buildings and owners will be advised of this prior to the Association taking on the provision of factoring services.

Asbestos

Under the Asbestos Management Regulations, it is necessary to establish whether or not there is Asbestos present in common areas of properties. A copy of the Asbestos survey must be provided to the Association prior to our taking on the factoring. Should no Survey report be provided, a survey will be required as a condition of the Association providing a factoring service and we will instruct this as soon as our service commences, the cost of which will be borne by the owners.

Back Court Maintenance

During the growing season (**April to November**) the Association will carry out a backcourt maintenance service which includes monthly grass cutting, pruning small bushes at beginning and end of growing season, de-weeding of slab/paved areas. This service is included in the Factoring Administration Charge.

Where there is foliage such as large bushes and trees, the Association can arrange for these to be attended to, when required, for an additional cost. Removal of trees or severe pruning can only be carried out with the consent of the Council Landscape Services department as we operate predominantly in a Conservation Area.

Cleaning Services

We can arrange for the bin store and /or bins to be cleaned when required for an additional cost, should owners so wish. Likewise, the Association can arrange for close cleaning at an additional cost, should the majority of owners so choose.

Close Painting

We have a programme of close painting for closes in which the Association has ownership and this is based on a 5 year cycle. Properties are inspected five yearly (or some other interval if stated in the Title Deeds) and if deemed to be in need of painting, other owners in the close will be consulted on whether or not they want the works to proceed. The outcome of whether works

will proceed or not will depend of the response received from other owners and the need to carry out the works. Owners will be notified of the outcome of the consultation.

Closes in which the Association has no ownership are not included in this program. The Association is happy to progress such works for owners if so requested. Should the Title Deeds state that Close Painting is to be carried out at specific intervals, the Association will consult with affected owners as to whether or not they want the work carried out. Your Written Statement Appendix will advise you on the Association's ownership within a close.

Insurance

The Association's buildings insurance is currently supplied by NIG (part of Direct Line Group) and the terms are available from the Association on request. The policy runs from 28 April to 27 April and will be automatically renewed by the Association annually for as long as we provide factoring services at your address. The policy is a block policy covering all our factored stock and is fully comprehensive. The cover is based on the reinstatement value of the property (i.e. the cost for the complete rebuilding of the flat or tenement as a whole). This value will be reviewed annually and it is used to calculate each owner's share of the premium amount in line with the apportionments outlined in the title deeds of each tenement or block of flats. In summary the premium is calculated by taking the reinstatement value of each tenement or block and apportioning it between the different units in accordance with the title deed shares, this value is then multiplied by the owners' flat rate premium calculator supplied by the Insurers and lastly any package discount is deducted and Insurance Premium Tax is added. Owners are informed of the new premium in April each year and it is paid in advance by owners on the May factoring invoice. The premium will be shown in the Appendix of the Written Statement. Continuity of cover is dependent upon prompt payment of the May factoring account.

New owners of existing property factored by the Association are provided with a copy of the Insurance Schedule when they take ownership of the property. **NB THE ASSOCIATION WILL NOT REFUND OUTGOING OWNERS ANY PART OF THE PREMIUM. OUTGOING OWNERS SHOULD AGREE WITH THE INCOMING OWNER REIMBURSEMENT OF THE PREMIUM FOR THE PERIOD FROM DATE OF SALE SETTLEMENT TO END OF THE INSURANCE POLICY EXPIRY DATE.** Owners of new closes to the Association's factoring service are given a copy of the Schedule with the initial paperwork sent out to owners enquiring about our services. A reinstatement value will need to be provided to the Association by owners, or if this cannot be done, the Association can organise a valuation, the cost of which will be added to the first factoring bills. The Insurance premium for new properties is payable in advance of the Association taking on the factoring.

A copy of the Schedule is available on request to the Association's offices. The excesses for **2021-22** are £250 for all claims with the exception of Subsidence (which is £1,000). The Association does not earn any commission or administration fees from its dealings with NIG and we have no financial interests with NIG. NIG also provide insurance cover for the Association's rented stock under a separate block buildings policy.

Procedure for submitting insurance claims: the Association will submit insurance claims on the owners' behalf for the common/external parts of buildings (e.g. the roof, common close, front entrance door) and if the claim is approved by NIG, the applicable excess will be apportioned between the owners and added to their factoring bills. All incidents of communal damage (e.g. vandalism, flooding, fire or storm damage) must be reported to the Association within 7 days of

the incident to allow us to process the claim on owners' behalf. The Police must be notified immediately in the event of theft or malicious damage. We will deal with all aspects of the claim under our control promptly and efficiently and will keep owners informed of the progress of the claim.

With regard to internal damage, owners should contact the Association promptly and certainly within 21 days if they would like to make an insurance claim for damage to the internal parts of their flat (e.g. the walls, ceilings, kitchen units, flat entrance door). The Police should be notified immediately where theft or malicious damage has taken place. An insurance claims form will be sent to the owner and should be signed and returned to this office with any photographs and quotes/invoices for onward transmission to the insurers.

Fees

The Association charges a Factoring Administration Fee for its services, **(for 2021-22 £159 plus Vat per flat or shop)** and it covers the following: staff time for managing the service provided at your property, liaising with adjacent property factors/owners where necessary, office overheads, handling enquiries, processing repairs, administration of cyclical contracts, issuing factoring accounts and pursuing payments and the administration of monitoring payments including legal advice in respect of court action, the first 5 hours dealing with Title Deed issues, administration of the block insurance policy, correspondence, basic back court maintenance, annual common area inspection, production of owners newsletters, registration fee required under Property Factors (Scotland) Act 2011. This fee, which is a flat rate fee per individual unit, is reviewed annually by the Association and is split over 2 invoices issued in May and November each year. The fee is calculated by reviewing the cost of the staffing and the corresponding proportion of office overheads and adjusting these in line with the Association's annual budget. As noted above in Contract Services, a higher Factoring Administration Fee could be charged in buildings with various systems and this will be notified to Owners prior to the Factoring Service commencing. Owners are notified by letter in April each year of any increase.

The Association will charge a co-ordination fee of 5% of the total works cost excluding VAT for the administration of repairs over £3,000. This fee is divided equally between the properties involved.

A Co-ordination fee will be charged of 1% of the works cost for fabric repair schemes involving City Council Grant. This fee is divided equally between the properties involved.

The Association will charge for additional copies of documentation previously provided to owners e.g. rot guarantees, planning consents, building warrants and completion certifications, drawings. The fee will be £50 + VAT per request, payable in advance. If hard copies of correspondence or factoring invoices are requested the Association will charge £5 a document (there is no charge for emailed copies). These charges cover staff time, storage, photocopying costs, overheads.

With effect from 1 April 2018, the Association will charge a Sales administration fee of £50 + VAT for provision of information to solicitors in respect of sales and remortgages chargeable to the outgoing owner. No information will be given to solicitors until the Association has received this payment and retention sum or irrevocable mandate signed by the outgoing owner stating their solicitor will hold funds to settle the final factoring account.

With effect from 1 April 2018, the Association will charge a late payment fee of £25 + VAT if accounts are not settled in full by day 35 following invoice issue, unless owners have contacted the Association advising they are in difficulty and a payment plan is agreed. If the payment plan is not adhered to and no further agreement or revision to the plan has been made, the charge will be applicable.

If the Association decides to place a Notice of Potential Liability (NPL) on a property due to non-payment of Factoring Invoices, the owner will be charged the costs for the original placement, any subsequent renewal of the NPL if the debt is still outstanding and the cost of Discharging the NPL after the debt is cleared.

Owners will be charged for any legal advice required to resolve any Title Deed issues, for example if there is a conflict between different property's Title Deeds. The Association will charge an additional administration charge of £30 + VAT per hour for every hour above 5 hours spent on dealing with such issues.

The Association will charge an additional £40 Factoring Administration fee per flat/shop during the first year of provision of factoring services, as noted in Setting up Factoring Services above.

Factoring Invoices

Invoices are issued 6 months in arrears in May and November each year and are sent by email unless otherwise requested. The May account will cover the preceding period 1 October to 31 March and the November account will cover period 1 April to 30 September.

The May account will also include the buildings insurance premium for forthcoming year and is the only charge on your invoice that is charged in advance. Both May and November invoices include the Association's Factoring Administration Charge for the six month billing period. Other items that will appear on invoices (where applicable) include small repairs costs, stair lighting costs, common electricity charges, close cleaning, gutter cleaning, attic inspections, roof anchor inspections, larger repair costs on the accounts of owners who haven't paid for these in advance of the works is proceeding, common work insurance excesses/charges. This list is not exhaustive.

The factoring deposit charged to properties at the beginning of the factoring service becomes the float for the property and will be reimbursed to the owner on sale of their property or when the Association withdraws from the provision of factoring services. This applies where the deposit has not already been offset against the owners' first factoring invoice.

Supporting documentation of items included on the factoring invoices are available for 14 days from date the invoice is issued. Thereafter we reserve the right to levy a fee for this information and this will be £5+ VAT per document, payable in advance. This covers staff time, storage, photocopying costs and overheads.

Information on methods of payment is supplied with every invoice. Owners are encouraged to pay by standing order to accrue monies towards future accounts and spread the cost. Standing order payments cannot be used to pay off outstanding balances on invoices.

Debt Recovery

The Association will issue factoring accounts in May and November each year. These accounts are issued with details of methods of payment, the layout of the accounts and confirmation that the account should be paid within 28 days of receipt, together with a record of standing order payments received.

The owner may ask that any disputed debt is dealt with in terms of the complaints' procedure detailed below.

If payment is not received within 28 days a further reminder is sent requesting payment within 7 days and reserving the right to cancel your buildings insurance in respect of non common repairs due to non-payment of the premium (May accounts only). This reminder will also intimate that legal action may be instigated. We will then attempt to contact owners by telephone or email regarding payment. If full payment is not received by day 35 and no response has been received, a late payment fee of £25 + VAT will be added to the account. If there is still no response, or an acceptable repayment arrangement is not entered into, the account will then be discussed with the Technical Services Manager and a decision will be taken on legal action for recovery of the outstanding debt and/or lodging a Notice of Potential Liability on the Title Deeds. If legal action is to be taken, we will write to the owner concerned and advise them of the decision. A summary of arrears cases involving legal action will be given quarterly to Committee. The Association will recover any costs incurred in legal action for recovery as set down by the Court.

In more serious cases, non-payment of factoring accounts can also result in the Association withdrawing its services from buildings where a high level of debt has accrued. As this will affect all owners at the property, all owners are advised in writing that the service is in jeopardy, of the Committee decision to withdraw services (where applicable) and the withdrawal date (where applicable).

Termination of Factoring Services

Should owners wish to terminate the Association's factoring services, this will need to be done as per the title deeds, or where these are insufficient or silent, as set out in the Tenement Scotland Act. The Written Statement for your property sets out the procedure that should be followed.

The Association may wish to terminate its services in certain circumstances, usually for non-payment of factoring accounts, or an inability to maintain the building due to owners not wishing to pay for repairs. The Association will write to the owners advising the reasons for which the service has been jeopardized and that if matters are not resolved the property will be referred to Committee for a decision on the service. If matters are not resolved satisfactorily and a Committee decision is made to withdraw the service, the Association will write to the owners advising of the decision and giving at least 6 weeks' notice of the withdrawal date. Alternatively, if matters are resolved satisfactorily, the Association will write to owners advising that the service is no longer in jeopardy and of any conditions made for continuing the service. If the service is terminated, the Association will issue final accounts, reconciling any standing order payments and refunding any credit remaining on the account.

Financial Obligations

The Association is a registered society with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014. The Association is also a registered Charity.

The Association maintains a separate bank account for receipt of owners' factoring payments and any floats. In addition, the Association maintains a second separate account for owners paying for large and major repairs in advance of works being instructed and carried out.

Communication and consultation

The Association will consult with owners when required to ensure that they are fully aware of any issues which may affect them.

The Association will communicate with the owner of a property on all matters relating to the factoring service. The Association will send copies of correspondence to third parties (e.g. tenants of commercial properties) at owners' request.

If repairs are required that exceed £100 per flat then the Association will write to owners providing any information available/costs etc and giving owners 2 weeks to respond or consult with us regarding the repairs. On expiry of the 2 week period, if the works are to proceed, we will write again to owners confirming our intention to proceed and ask owners to complete a mandate agreeing to the works and return this to us together with their payment for said works. Owners are normally given 2 weeks to return their mandate and payments unless the works are urgent in which case the timescales can be reduced.

The Association will instruct the works if we are in receipt of all payments. If payments are still outstanding at this time then the Association can return all payments received and close our file on this matter, however in most cases we will send a final reminder giving owners a further period of 7 days to make payment. The mandate for works will ask owners whether or not they want paid monies refunded or credited to their factoring account should works not proceed. If monies are to be refunded, bank details are to be provided. If the works are of an urgent nature, the Association reserves the right to forgo the 2 week notice period but would increase the payment timescale to 3 weeks. For urgent works, where we have ingathered monies from a majority of owners, the Association reserves the right to proceed and add the outstanding shares to the owners' factoring account. This decision would be made with the consent of Committee.

If works are of an emergency nature and cannot be left for any time without causing serious damage to the common property then the Association reserves the right to take forward the repairs and add the costs to the owners' factoring accounts. Owners will be advised of this in writing as soon as possible after the works have been identified. Examples would be a burst rising main or sewage backing up into a flat from a common drain.

Complaints Procedure

The Association has a complaints procedure, which applies to complaints about us and about contractors. A full copy of the complaints' procedure is available from the Association's offices or available to download from our website www.cxha.org.uk. In summary, the Association will try to resolve your complaint within 5 working days. If you are not happy with our response, you can ask us to reconsider. We will acknowledge your complaint within 3 working days and will give you our decision as soon as possible and always within 20 working days unless there is a good reason for needing more time. We will retain all information relating to your complaint for 3 years from the date of the complaint. If you are not satisfied with our response, you can then take your complaint to the First-tier Tribunal for Scotland (Housing and Property Chamber). An application to the Tribunal must be in writing.

An application form can be downloaded from their website www.housingandpropertychamber.scot or requested from the Tribunal office at the following address:

First-tier Tribunal for Scotland Housing and Property
Scottish Courts and Tribunals Service
4th Floor
1 Atlantic Quay
45 Robertson Street
Glasgow
G2 8JB
Telephone: 0141 302 5900
Email: HPCadmin@scotcourtribunals.gov.uk
Website: www.housingandpropertychamber.scot

The attachments which must accompany the application form are as follows-

- (1) evidence that the homeowner has notified the property factor of the complaint and that the property factor has refused to resolve the complaint or has unreasonably delayed resolving the complaint;
- (2) copies of any correspondence which the homeowner has sent and received from the property factor regarding the complaint, including the factor's response to notification of the complaint; and
- (3) a copy of any Statement of Services provided by the property factor.

April 2021