

Factoring Policy



ROSEHILL HOUSING CO-OPERATIVE LIMITED
250 Peat Road, Glasgow, G53 6SA

1. Introduction

This policy sets out the principals on which Rosehill Housing Co-operative (Rosehill) will operate its factoring service and should be read in conjunction with the title deeds to your property and Rosehill's written statement of service which is provided to all factored owners in accordance with the provisions of the Property Factors (Scotland) Act 2011.

This policy is consistent with but does not intend to replicate the title provisions contained within the title deeds relating to your property. It makes provision for effective property management and seeks to ensure proper accountability between owners and Rosehill as the factor of your property. The policy sets out the way in which Rosehill will work with owners in order to achieve effective maintenance of the common parts of the block or development of which your property forms part.

2. Our Objectives are:

- To meet all of Rosehill's obligations as factor and to ensure that the rights which owners have under their common factoring agreement or title conditions are adhered to.
- To manage our services effectively and efficiently.
- To maintain properties to the highest possible standards.
- To ensure that the fabric of buildings and common areas are maintained to a high standard.
- To ensure that service users receive a value for money service.
- To be fully responsive to the needs and views of factored owners and other customers.

3. Legal and Regulatory Framework

In formulating this Policy, the terms of the title deeds relating to factored owners properties, the requirements of the Scottish Housing Regulator and the provisions of the Property Factors (Scotland) Act 2011 have been recognised.

The title provisions including any Deed of Conditions is a legal document which forms part of the title deeds to a building or group of

buildings. It lays down the detailed rights, duties and obligations of every owner within the building in relation to common areas and common parts. It identifies the common areas and common parts and provides arrangements for the management, maintenance and repair of the property, the division of costs between owners and procedures to appoint a factor and resolve disputes.

Common areas vary between blocks and generally include items such as: roofs, gutters, external walls, common stairwells, stairwell lighting, common drains and common garden ground.

4. Our Vision:

"We will provide excellent quality affordable and efficient homes in neighbourhoods that are well managed and maintained; we will contribute to sustaining communities where people feel safe and want to live by providing housing and other services and working with our voluntary and statutory partners."

Our Values:

Our Core Values are:

We Will

- Invest and Support

We will be

- Engaged and Responsive
- Accountable and Compliant
- Fair and Approachable

5. Factoring Services

Rosehill aims to provide a comprehensive factoring service. The following services will be offered.

5.1 Building Insurance

Owners have a duty to insure the property they live in and its common parts for the full replacement and rebuilding costs associated with any fire or other event. Owners factored by Rosehill will be insured under Rosehill's buildings insurance policy.

5.2 Common Repairs

Rosehill aims to provide a prompt and efficient common repairs service. One of the main benefits of participating in the factoring service is that common repairs can be instructed and carried out promptly.

5.3 Cyclical & Planned Repairs

Planning ahead is a key part of the factoring service, regular preventative maintenance will prove worthwhile over the longer term and ensure that the properties do not fall into disrepair, remaining a safe and attractive place to live. Where works are planned we will notify owners or consult with owners where appropriate prior to works being carried out.

5.4 Repairs Fund

Rosehill may offer a service that allows owners to pay an upfront sum into a repairs fund. This will minimise any unforeseen bills for owners.

Where Rosehill foresees a large item of expenditure (greater than £500 per owner) it may agree with owners to set up and administer a fund to save towards the cost of the major repair or improvement.

6. The Role of the Factor

The purpose of the services provided by a factor is to assist owners in meeting their obligations to repair and maintain the common elements of their property as required by the Deed of Conditions contained within your titles, common law and relevant legislation.

A factor, appointed and acting on behalf of owners, is responsible for the general management and administration of the property and has following responsibilities and levels of authority:

- To ensure the property is adequately insured.
- Arrange for the property to be properly maintained.
- Invoice owners for their share of all costs associated with insurances and the maintenance/servicing of the building. To recover any such outstanding costs by various methods available under common law or relevant legislation.
- Arrange owners meetings in order to take decisions on management issues or repairs/improvement proposals.
- Undertake the reasonable instructions of owners acting as a group all in accordance with title provisions.

7. Selling Your Property

Owners currently factored by Rosehill are required to notify Rosehill when they sell or dispose of their property. Owners' solicitors should inform Rosehill of the following details:

1. Name of new owner
2. Date of settlement
3. Solicitor acting on new owner's behalf

On the sale of a property Rosehill will calculate the apportionment between the seller and the purchaser of management fees, insurances, services, maintenance and repairs charges.

Where there are outstanding debts owed by the owner to Rosehill, Rosehill will not co-operate with solicitors requests or in any matter regarding a sale until these debts are settled in full.

8. Common Repairs/Cyclical and Planned Maintenance (Repairs)

There are two categories of repairs. Those above the consultation threshold and those below. The consultation thresholds may be specified in the Deed of Conditions or in a Factoring Agreement which you may be asked by Rosehill to sign. These are adopted in this policy.

All common repairs should be reported to Rosehill's Repair Services by telephone, letter, email or in person at our office.

8.1 Repairs below the consultation threshold.

The authority to instruct low cost routine repairs below the consultation thresholds has been delegated to Rosehill through our appointment.

8.2 Repairs above the consultation threshold

Where Rosehill's repair staff or Rosehill's contractor have assessed the repair and estimate that it will exceed the consultation threshold the repair request will be referred to owners for consultation.

9. Consultation

The consultation process as adopted by Rosehill is as follows

- Consultation will normally be by written communication and through meetings convened by the factor in accordance with the terms of the Deed of Conditions. Through these means the factor will provide owners with:
 - Details of the work to be carried out and why it is needed.
 - The method of appointing a contractor to carry out the works.
 - Information on the likely start date and duration of the works.
 - An estimate of the cost.
 - If appropriate, the process for applying for grant assistance.

- Consultation Thresholds - Decisions taken by the owners in accordance with the title deeds are legally binding on all owners in a block. Owners generally have one vote for each property they own.

It should be noted that Rosehill when acting as factor has the authority to instruct necessary interim works for the protection of the property, the safety of owners, tenants or the general public pending the outcome of consultations with owners on necessary remedial works.

10. Procurement

All services and contractors will be procured in line with Rosehill's Purchasing, Procurement and Tenders Policy. A copy of the policy is available by contacting our office and from our website.

11. Owners Accounts

11.1 Factoring Deposit

Under the Deed of Conditions owners may be obliged to pay a deposit towards the future costs of services and/or repairs. This deposit will be returned at the end of their period of ownership provided all sums due have been paid.

11.2 Management Fee

Rosehill will charge a management fee to owners for whom it is the factor. The management fee represents the cost of administering and carrying out property management duties. Management fees may vary for different property types. Typically there will be two levels of management fee, one for 4-in-a-block properties and one for tenements. Management fees will be reviewed annually.

11.3 Common Repair Charges

Common repair costs are apportioned between owners, generally in the proportion of one equal share in respect of

each property. Where the title deeds to your property provide for an alternative method of allocating costs this method will be followed.

11.4 Professional Fees

Professional fees associated with major or non standard works are recharged to owners.

11.5 Value Added Tax

VAT will be applied to charges and professional fees in accordance with the requirements of HM. Customs and Excise.

11.6 Timing of Invoices to owners

The management fee and any repairs and service costs will be billed in arrears on a quarterly basis. Insurance premiums will be billed in the first quarter following renewal.

The invoice will detail the work that has been carried out, the total cost and the individual owner's share. Contractors invoices will be made available for 14 days after the issue of the invoice.

11.7 Statement of Account

A statement of Account will be sent to all owners quarterly except where the owners account is zero.

12. Payment Arrangements

Rosehill's credit terms are strictly 14 days from the date of the invoice. Payments may be made by Allpay, standing order, bank transfer, cheque or by chip and pin at Rosehill's office. All customers will be issued with an Allpay card which will allow them to pay at Allpay outlets.

13. Non Payment of Accounts

In the event of late payment the Deed of Conditions may permit the factor to charge interest on the outstanding amounts. Imposition of this provision will be used at Rosehill's discretion.

The right to charge additional fees to cover additional management costs incurred in the pursuit of unpaid debts may also be permitted under the title deeds. Imposition of this provision will be used at Rosehill's discretion.

Rosehill reserves the right to allocate any payments made to the earliest debts.

If an invoice is not paid in full Rosehill will have no option but to follow the steps set out in its Factored Owners Debt Recovery Protocol which is available on request from its office.

14. Information provided to Owners

Rosehill will keep owners informed about how the service operates, owner responsibilities and how the factor discharges those responsibilities on their behalf. Information will be provided by the following means:

- Quarterly invoices and statements
- Insurance Policy Details
- Programme of proposed improvement work
- Proprietors' Meetings and/or written information on any major common repairs works
- The availability of staff within Rosehill who will provide information about the factoring service. Attendance of staff at local resident public meetings and Open days

15. Performance Monitoring

In order to judge the success of this policy, Rosehill will put in place a system which monitors and measures performance.

Examples of standards against which Rosehill will measure performance include:

- The value of work invoiced in period
- The value of outstanding accounts
- Details of legal action being pursued
- Factoring Satisfaction Survey

16. Customer Satisfaction

Rosehill is committed to a high level of customer satisfaction in the delivery of this Policy, seeking continuous improvement.

Rosehill will carry out on-going customer satisfaction surveys into the effectiveness of the factoring service and take cognizance of these when preparing their policies.

17. Complaints Procedure

We aim to get things right first time and provide a good quality service to owners. However, we acknowledge that things can go wrong and that some owners may be unhappy with the service provided.

A copy of our complaints handling procedure is available by contacting our office and from our website.

18. Equality and Diversity

We are committed to ensuring equal opportunities and fair treatment for all people in our work. In implementing this Policy, we will provide a fair and equal service to all people, irrespective of factors such as gender, race, disability, age, sexual orientation, language or social origin, or other personal attributes.

19. Data Protection

19.1 On the 25th May 2018 the legislation governing data protection changed with the introduction of the General Data Protection Regulation (GDPR).

- 19.2 We hold a variety of Personal Data relating to individuals including tenants, waiting list applicants, factored owners, other service users, employees and Committee Members. Our Privacy Policy sets out the basis on which we can process and share such data with third parties, it also sets out how we will securely store individuals' data, whether electronically or in paper format. It also provides information on individuals' rights under GDPR including: to view personal data held about them by us; to request a restriction of processing of their data; the right to be forgotten and a right to object to us processing their data. In terms of the rights to be forgotten and to restrict or object to processing of Personal Data, any such requests will require to be considered on their own merits and legal advice will need to be obtained in some circumstances. We have the responsibility for accepting or refusing such requests and will do so in writing.
- 19.3 Under GDPR we are required to provide all customers whose Personal Data we hold with a Fair Processing Notice (also known as a Privacy Notice). The Notice sets out the Personal Data we process and the basis for doing so.
- 19.4 We will only keep and process Personal Data for the original purpose we gathered it for and we will not keep it for any longer than necessary. Attached to our Privacy Policy is a table of Retention Periods for Personal Data held and processed by us. We recognise that not all Personal Data can be processed and kept for the same period of time, and this will vary depending on the individual circumstances of each person whose Personal Data we hold.
- 19.5 The Privacy Policy sets out what should happen in the event of a Data breach e.g. does the breach require reporting to the Information Commissioner's Office and whether the individual affected should be notified. Timescales are set out for dealing with data breaches.
- 19.6 Full copies of our Privacy Policy are available on request at our office or from our website www.rosehillhousing.co.uk

20. Risk Management

- 20.1 In all key areas of our business we need to consider any risks which may arise. To this end we have in place a robust Risk Management Policy and from this flows our Risk Register. We have identified our “Top 5” risks which are regularly monitored by our Management Team and Audit Sub-Committee.
- 20.2 To ensure we continue to manage the associated risks we will periodically review this policy to ensure compliance with all legislative requirements and regulatory and best practice guidance.

21. Policy Reviews

Rosehill will review this policy every three years or more frequently if significant developments take place. Reviews will consider legislative, performance standard and good practice changes.

Approved – Oct. 2020
Review Date – By Sept. 2023