



| |
|--------------------------------|
| <p>FACTORING POLICY</p> |
| <p>GROUP POLICY</p> |
| <p>SEPTEMBER 2021</p> |
| <p>SEPTEMBER 2024</p> |

Introduction

Paisley South Property Services Ltd (PSPS) is a non-charitable subsidiary of Paisley Housing Association (PHA), established in March 2004 to provide the factoring duties where Paisley Housing Association (PHA) own properties within mixed tenure blocks and in blocks which are either joined to or in the vicinity of PHA properties. PSPS Company Registration number is SC264883.

This Policy reflects the terms of Section 14 of the Property Factors (Scotland) Act 2011.

In accordance with the Act PSPS will:

- Re-register every 3 years
- Submit annual returns to the Scottish Government to update their register of all factored properties & land.

Paisley South Property Services registration number is PF000305.

PSPS will conduct its business in a manner that complies with all relevant legislation and is committed to being transparent in its delivery of its management of common property as detailed within homeowner's title deeds.

Legislation

The Property Factors (Scotland) Act 2011
Tenements (Scotland) Act 2004
Title Conditions (Scotland) Act 2003
Data Protection Act 2018
The Equality Act 2010

PSPS will also meet the specific requirements of the Scottish Housing Regulator as set out within the Scottish Social Housing Charter.

Property Management Service

As the appointed factor PSPS provides a property management service within tenements for both Property Owners and Commercial Owners.

The definition of a tenement is a building comprising of two or more related flats that are owned or designated to be owned separately and which are divided from one another horizontally. Large houses converted into flats, high rises, four in a block and modern flats are also included within this definition. As are blocks of flats with commercial properties in them, such as ground floor shops and office buildings if they have two or more flats in them.

Property management includes providing a maintenance, repair and management service for the building. It also includes estates which include common property such as common ground and access roads that have not been taken over by the local authority.

PSPS provides the following property management services;

- Routine & cyclical maintenance - inspection, repair, renewal to the common parts
- Carrying out emergency repairs necessary for the health and safety of the occupants and the public or the safety of the property.
- Liaising with contractors and procuring for the best service and price.
- Arranging authorised one off major works.
- Arranging the block buildings insurance policy
- Managing maintenance contracts e.g. landscape maintenance ,close cleaning
- Co-ordination of payment for common electricity within the block
- Inspecting the common parts of the building

Title Deeds

PSPS has been appointed on the basis of the Title Deeds for each block.

The Title Deeds define the location of an owner's property and tells them about their rights & responsibilities for their property.

The Title Deed may specify:

- The owners responsibilities for the management & maintenance of common parts
- Specify how decisions should be made
- Specify how costs are to allocated between owners
- The arrangement for paying for maintenance and repair

Where Title Deeds are silent or has gaps e.g. it does not say how decisions should be made, it doesn't describe all common parts or there are defects in the title e.g. shares do not add up to 100%, then we will revert to the provisions of the Tenement (Scotland) Act 2004 on how decisions should be made and how to apply the correct charges.

Aims

Our aims are:

- To provide an efficient & effective factoring service to owners
- To maintain the asset value of both owners & PHA properties
- To provide value for money from the services we provide

Objectives

- To provide a Written Statement of Services which provides clear information to owners about our factoring service and defines the respective duties & responsibilities of both owners & PSPS.
- To encourage owners to participate in the factoring process and decisions that affects their property.

Written Statement of Services

PSPS's Written Statement of Service sets out the terms and service delivery standards of the arrangement in place between us.

PSPS will provide a Written Statement to homeowners;

- Within 4 weeks, of PSPS agreeing to provide the Factoring Service to them
- Within 4 weeks of PSPS being made aware of a change in ownership, where PSPS already provides the factoring service.
- At the earliest opportunity, not exceeding 3 months, where there is a substantial change is required to the terms of the WSS. We will also provide a summary of changes document to support any reissue of our WSS.

The Written Statement will include:

- PSPS's contact details, including full postal address, telephone number, contact email address for reporting issues and making enquiries. This information will also include arrangements for reporting out of hours emergencies.
- A statement on what authority we have to act as factors to the owners within the property
- The core services PSPS provides. This will include PSPS response times for both routine, emergency works to common parts and any routine property inspections
- The non-core services PSPS provides their charges and how they are calculated. Notification of non –core services are provided annually in an Appendix to the Written Statement of Services
- The management fee charged which is provided annually in an Appendix to the Written Statement of Services
- What % of charges for common works & services is the responsibility of owners
- Details of the common insurance policy made available to owners and provided annually to owners in an Appendix to their Written Statement of Services
- Confirmation of PSPS's debt recovery procedure.
- Arrangements for the collection of payment from owners for major works or cyclical works.
- PSPS's invoice process, including when & how owners will receive their bills
- PSPS's payment collection process, including timescales & payment methods
- PSPS's complaints process, including how to make an application to the First Tier Tribunal for Scotland.
- Details of our customer service standards including emergency arrangements
- Information on how owners can change their factor and end their relationship with PSPS.

PSPS will ensure a copy of the latest WSS will be available to homeowners on request.

Management Fee

PSPS will charge an annual management fee which covers the costs of:

- Staff costs for the delivery of the factoring service
- Office overhead costs
- Administrative costs

The Management Fee is charged out quarterly as detailed below:

Period of Management Fee

- 1st January to 31st March – issued in February
- 1st April to 30th June – issued in May
- 1st July to 30th September – issued in August
- 1st October to 31st December – issued in November

Where an owner sells their property the Management Fee will be apportioned and a refund will be given where the owners account goes into credit.

The Management Fee will be reviewed annually taking account of the costs incurred from the previous year and projected for the coming year and owners will be advised of this annually in an Appendix to their Written Statement of Services.

Charges

PSPS will invoice owners for its factoring service quarterly:

- 28th May
- 28th August
- 28th November
- 28th February

Owners can use a wide range of payment methods, although PSPS's preferred method of payment is by regular direct debit payment.

Information on all our payment methods are included along with invoices or available on our website.

The charges will include:

- The Factoring Management Fee
- Common charges
The costs of the common repairs/services as set out within the Written Statement for each property factored.

The cost of major or larger cyclical contracts may be required upfront in advance of the works or with prior approval an arrangement can be made to spread the cost of major works over a period of 12 months from the date the invoice is issued.

Copies of invoices, including quotes & tenders, relating to their property will be made available to owners for inspection on request. Only information which is business sensitive will not be provided. Owners are asked to give 14 days notice for inspection of documents.

- Change of Ownership charges(if applicable)
Owners should notify PSPS prior to the selling or disposing of their property via their solicitor who should provide the name of the new owner and date of settlement. PSPS will only charge an admin fee where Solicitors require copies of guarantees/building warrants.

If there are outstanding debts on the account PSPS will require these to be paid prior to providing the required information for a sale. Alternatively PSPS requires a signed mandate from the selling owner authorising the release of monies retained by their Solicitors to cover the outstanding debt.

- Debt recovery charges
The cost of pursuing court action to enforce payment, including court expenses & other incidentals e.g. Sheriff Officer fees for issuing Notices
- Insurance charges
Where an Owner has opted into PHA's block insurance policy
- Non-Core Service charges: Close Cleaning, Landscape Maintenance and Bulk uplift service.

Owners can choose to make payment to their factoring account in advance of any works and can request a refund of a credit on their account at any time. PSPS does not operate a sinking funds or floats.

Responsibility for delivering the Factoring Service

PSPS will deliver the service as follows:

- The Chief Executive is the fit and proper person and is responsible for PSPS.
- The Housing Manager is responsible for the delivery of the factoring service including monitoring and reporting on its performance against Key Performance Indicators to PSPS's Board of Directors and deal with Stage 2 complaints as per the PSPS Complaints Procedure.
- The Factoring Officer will apply our policy and procedures to deal with all factoring enquiries, changes of ownership, the recovery of factoring debt, the promotion of the factoring service, consultation on major repair works, issuing invoices, Stage 1 complaints and dealing with insurance.
- Technical staff will deal with identifying and processing common works, cyclical works, any major repair works and property inspections. They will liaise with the Factoring Officer to implement any works above delegated authority and major repair works.
- Finance staff will be responsible for having proper accounting requirements in place for PSPS to deliver its factoring service and determining the management fee.

PHA staff will be given training to ensure they are familiar with duties and requirements of the Code.

Reporting

The PSPS Board meets on a quarterly basis and receives reports on:

- Business finances
- Performance against Key Performance Indicators
 - Arrears
 - Complaints
- Annual Charter Indicators Outcomes
- Any other relevant business

Delegated Authority

PSPS will exercise delegated authority to instruct common, cyclical & emergency Repairs where the individual owners share of an individual repair is less than £150 (excluding VAT).

Where the owner's share of an individual repair is more than £150 (excluding VAT) and the work is not an emergency, PSPS will only arrange for the repair to be carried out if we receive authority from the Owners as set out within their Title Deeds or if silent in accordance with the Tenement Act.

PSPS will not instruct any major repair works e.g. replacement of components without receiving authority from the Owners as set out within their Title Deeds or if silent in accordance with the Tenement Act.

PSPS will continue to liaise with contractors within its limits of its authority to act in order to remedy any defects in any inadequate work or services that it has organised on behalf of homeowners.

Communication

PSPS will communicate with owners by:

- Direct correspondence, email, telephone & text
- PHA's website www.paisleyha.org.uk
- Individual meetings
- Facebook
- Quarterly Newsletter
- Annual information on cyclical maintenance and planned maintenance for the coming year
- Owners Annual Report

PSPS's will include within its WSS contact details, including full postal address, telephone number, contact email address for reporting issues and making enquiries This information will also include arrangements for reporting out of hours emergencies.

PSPS is seeking to move towards becoming paperless and as such we will use email as our preferred means of communication with homeowners. Information and documents will be made available in digital format on our website or by email attachment. However to ensure we meet a range of owners needs we will provide a paper copy of documentation in response to any reasonable request by a homeowner.

PSPS will include its property registration number in any documents being issued to homeowners.

Owners Participation

PSPS welcomes owner participation and will work with owners who wish to form an owner's forum.

PSPS may also provide owners with opportunities to participate in major works programmes being carried out by PHA.

Customer Service Standards

PSPS will:

- apply our Customer Care Standards in dealing with enquiries (See Appendix 1)
- Respond to complaints within the timescales as set out within our Complaints procedure.
- Respond to requests from solicitors relating to the sale of the Owners property within 5 working days, subject to no outstanding balance being on the account.
- Provide access to inspect invoices etc. within 14 days of the request.

Consultation

PSPS will consult with owners and seek their written approval before instructing work or services which is above our level of delegated authority as stated within owner's written statement.

PSPS will undertake a customer satisfaction survey every 3 years.

Owners will be provided with the Owners Annual Report and advised of any changes made following from complaints received.

Financial Obligations

PSPS wants to provide value for money for owners in the services they provide to maintain their assets.

Transparency is important in the full range of our factoring services, it is especially important for building trust in financial matters. We aim to ensure owners know what it is they are paying for, how the charges are calculated.

PSPS aim to protect of owners' funds and have clarity and transparency in all our accounting procedures and make a clear distinction between owners' funds and PHA funds.

If a owner decides to terminate their arrangement with us after following the procedures laid down in the title deeds or in legislation, or a property changes ownership, we will make available to the owner a statement of their account which will summarise invoices charged, payments made and the balance on their account.

A factoring statement will be provided along with any additional invoices being issued to an owner, at a minimum within three months of termination of the arrangement unless there is a good reason not to (for example, awaiting final bills relating to contracts which were in place for works and services).

We will return any funds due to owners automatically at the point of settlement of final bill following change of ownership or property factor.

We will issue to owners, quarterly, factoring invoices detailing a breakdown of charges made and a description of the activities and works carried out which are being charged. In response to reasonable requests, we will also supply supporting documentation and invoices or other appropriate documentation for inspection or copying.

Each owner's account will be managed separately through individual factoring accounts held on our housing management system.

We will consider requests from owners from refunds of a credit on their account and apply our Refund Procedure to determine any refund due.

Insurances

PSPS has professional indemnity insurance for its factoring service.

Annually we will offer owners the opportunity to purchase the Block Insurance Policy or require them to provide satisfactory proof of alternative insurance cover.

Where applicable, we will provide each owner, in writing, with the basis upon which their insurance premium is calculated, the sum insured, the premium paid, any excesses which apply the name of the company providing insurance cover and summary of the terms of cover. This will be issued annually to owners via an appendix to their Written Statement of Services.

No commission is received for this service nor does PSPS charge any additional fee. The only benefit to PSPS is a reduction in cost for PHA and owners due to the economies in scale in purchasing a block policy.

Where applicable, owners will be charged annually for buildings insurance in their May invoice. If the property is sold then the insurance cover is transferable to the new owner if the property is sold. However, owners can also choose to opt out of the block policy at the end of each quarter if they provide proof of their own insurance policy and receive a part refund for the remainder of the policy.

Full details can be inspected by owners at the office within 14 days of the formal request.

On request, we can provide details of how and why we appointed the insurance provider or any documentation relating to any tendering or selection process (excluding any commercially sensitive information) will be available, at the main office, for inspection, free of charge.

Unless instructed by the majority of homeowners, for the purposes of buildings insurance, property valuations will be uplifted annually by inflation.

Occasionally PHA will appoint valuers to revalue its stock for insurance purposes. Where this revaluation is undertaken, this will influence the standard valuation proposed by PSPS.

Maintenance & Repairs

PSPS will have in place procedures:

- To allow owners to notify us of matters requiring repair, maintenance or attention & if requested will inform owners of progress of this work, including estimated timescales for completion.
- To deal with emergencies and for giving contractors access to properties to carry out emergency repairs wherever possible

PSPS will be able to show that our contractors have public liability insurance.

Where PSPS is carrying out a planned programme of cyclical maintenance we will prepare a programme of works and the works will be tendered as per PHA's procurement procedures where applicable through their regulatory framework.

PSPS will also inform owners of PHA's 1 year investment programme which will include cyclical and major repair works planned for the upcoming year.

If applicable, documentation relating to the tendering process (excluding any commercially sensitive information) will be made available for inspection by owners on request.

PSPS will disclose to owners, in writing, any financial or other interests, commission, fee or other payment or benefit if we receive this from the appointment of a contractor. PSPS will use contractors from PHA's list of contractors.

Where certain common works have been identified and PSPS has received majority agreement from owners to progress but there is an owner unwilling to pay for their share of the work, this is referred to a "missing share". Where this occurs PSPS will try and pursue Renfrewshire Council to pay the missing share to allow the works to proceed. PSPS will not fund any missing share where it has been declined by Renfrewshire Council.

Debt Recovery

Following the issue of invoices PSPS will monitor all payments into owners accounts.

Non-payment by some homeowners may affect the provision of services provided to others or may result in other owners in the block being liable to meet non paying owners debts in relation to the factoring arrangement in place where there is joint liability for costs.

PSPS has a clear written procedure for debt recovery which outlines the steps it will take when an owner's account falls into arrears. This procedure can be made available on request by an owner.

Where an owner expresses difficulty in making payments we will offer the services of PHA's Welfare Rights Service and sign post the owner to agencies which may be able to assist them with advice.

PSPS will not take legal action against an owner without taking reasonable steps to resolve the matter or without giving notice of our intention.

PSPS will actively pursue the recovery of debt left by owners who no longer receive our factoring service.

PSPS reserves the right to apply 2% interest charges on any outstanding balance on an owner's account after the 14 day payment due period. However where an owner is disputing their account and it is accepted for investigation by the First Tier Tribunal PSPS will not apply any interest during the period that the tribunal is considering the case.

Complaints

PSPS has a clear written procedure for dealing with complaints which outlines the steps we will take when an owner is dissatisfied with the factoring service we provide.

We will keep a written record of all complaints received & their outcome for 3 years and use this information to improve our factoring service.

PSPS will comply with any request for information from the First Tier Tribunal or the Scottish Public Services Ombudsman in respects to any complaint application made to them and note any failures to comply with the Scottish Housing Regulator.

Changes to homeownership and appointment

PSPS will provide clear information to owners within its WSS of the process for a change of ownership for the property and where the owners seek to change the appointment to another factor.

Where an owner terminates their arrangement with PSPS after following the procedures laid down in the title deeds or in legislation, or PSPS decides to terminate the arrangement it will make available the financial information that relates to the owners account within 3 months of the termination date or on the date of issue of the final bill relating to contracts which were in place for works and services up to the termination date.

Where another property factor is due to take over the management of the property PSPS will co-operate, within our limits of authority to act and Data Protection legislation, with the new formally appointed property factor. It will do this via a letter of authority from the majority of homeowners to confirm their instructions to the PSPS and list the information they wish to be shared.

Equal Opportunities/ GDPR

PSPS promotes equal opportunities and will not discriminate between persons on grounds of gender or marital status, on racial grounds, or on grounds of disability, age, sexual orientation, language or social origin, or of other personal attributes, including beliefs or opinions, such as religious beliefs or political opinions.

PSPS is committed to ensuring the secure and safe management of data held by them in relation to customers, staff and other individuals. Staff members have a responsibility to ensure compliance with the terms of the Data Protection Act 2018, which includes the General Data Protection Regulation (EU) 2016/679 (the GDPR) and PHA's Privacy Policy, and to manage individuals' data in accordance with the procedures outlined in the policy and documentation referred to herein.

If you need any information to be in a different format/language please let us know - we may be able to help.

Review

This policy will be approved by PSPS Board and ratified by PHA's Board. It will be reviewed every 3 years or as a result of any change in legislation or recommendation made by the First Tier Tribunal, SPSO or SHR.

Appendix 1: CUSTOMER CARE STANDARDS FOR COMMUNICATION

The following response times will be met when responding to **all external customers**. This will exclude times that are set within other procedures such as response times for repairs, allocations, arrears, complaints etc.

Guidelines on Responding

- Irrespective of the medium used for correspondence for the acknowledgment the quickest form of response should be used. If possible this should be by telephone or email in the first instance.
- If there is no tel number or email respond within 5 working days via letter. If it is a complex case or if further information is required acknowledge the contact with 1 working day and request further information or set a response date of 10 working days.
- If you are not going to meet these timescales advise the enquirer at the acknowledgment stage and state when you will respond by.
- Out of Office should be put on email bounces when there is planned leave with a named contact to deal with enquiries.
- Out of Office should be put on your direct line tel number when there is planned leave.
- If you are out of the office through unplanned leave ensure your line manager or other colleague is checking your voicemail at least daily to ensure these timescales are met. For the person picking up the enquiry contact the caller to advise when a likely response will be provided. This is likely to be when the person off sick returns or if on long term sick advise who will deal with enquiry and by when.
- Always use working days and advise customers based on this.
- The response date should be when they are likely to receive the response. Therefore if responding by letter and not email /phonecall ensure letter is posted in adequate time for the person to receive that mail by the due date.
- Always give customers an actual date or time when they should expect a response.
- These timescales do not apply to Complaints as they have set timescales.

| correspondence | Acknowledge Response time From date/time of corresp | Max Response Time – Standard Queries (From date/time of corresp | Max response time - Complex case or further information required |
|---|---|--|---|
| Phonecall/voicemail message | 1 working day | 5 working days | 10 working days |
| Email/Text to email | 1 working day | 5 working days | 10 working days |
| Letters | 1 working day | 5 working days | 10 working days |
| Query via website | 1 working day | 5 working days | 10 working days |
| Query re Facebook | Response twice daily | 5 working days | 10 working days |
| Enquiries at Reception | Immediately , in person | 5 working days | 10 working days |
| Request for a House Visit from a tenant. (N/A for owners unless access required for common works) | Arrange visit within 1 working day | 3 working days | N/A |