

FACTORING POLICY

SEPTEMBER 2024



LANARKSHIRE
HOUSING ASSOCIATION LTD



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FACTORING POLICY

(*Note Lanarkshire Housing Association hereinafter referred to as LHA)

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FACTORING POLICY

(*Note Lanarkshire Housing Association hereinafter referred to as LHA)

1.0 INTRODUCTION

This policy sets out the principals which Lanarkshire Housing Association (LHA) will operate its factoring service.

LHA is registered as an approved factor with the Scottish Government as detailed within the Register of Property Factors (Registration No. PF000275).

The factoring service will provide a wide range of services to owners living in shared occupancy buildings and individual homes. The underlying aims of providing the service will be to provide a safe environment for all occupiers and visitors, ensuring that the fabric of buildings and common areas are maintained.

The factoring service is overseen by the Housing Services Department and is managed by the Housing Services Director, supported by the Housing Manager and the Housing Services Team.

2.0 SCOPE

This policy covers the rights of Factored owners, recipients of a service from LHA, our employees and anyone who delivers a service on our behalf.

3.0 LEGISLATION, GOOD PRACTICE AND REGULATION

Factoring services are governed by a wide range of legislation the most recent being the Property Factor's (Scotland) Act 2011, which incorporates the revised Code of Conduct for Property Factors.

3.1 Legislation

- Housing (Scotland) Act 2014
- Property Factors (Scotland Act) 2011
- The Equality Act 2010
- Housing (Scotland) Act 2010
- Housing (Scotland) Act 2006
- Tenements (Scotland) Act 2004
- Title Conditions (Scotland) Act 2003

- The Abolition of Feudal Tenure (etc.) (Scotland) Act 2000

All Property Factors must be registered with the Scottish Government. LHA registered in December 2012 and must provide a Written Statement of Services detailing:

- Authority to Act
- Services Provided
- Financial and charging arrangements
- Communication and consultation arrangements
- Declaration of Interests
- Information about the 2011 Act and the duties it places on property factors
- How to end the arrangement.

3.2 In most cases the Authority to Act is detailed in the Deed of Conditions which also sets out the payment shares and the way in which the management of the common areas will be carried out. LHA will operate its Factoring Service in accordance with the Code of Conduct for property factors. Good Practice

- Factoring Services in Scotland (Scottish Housing Regulator)
- Management & Maintenance of Common Property (Scottish Government)
- Factoring Guidance 2015 (Scottish Federation of Housing Associations)
- Code of Conduct for Property Factors (Scottish Government)
- Glasgow Factoring Commission Report (2014)

3.3 Regulation

Section 31 of the Housing (Scotland) Act 2010 introduced the Scottish Social Housing Charter which sets the standards and outcomes that all social landlords should aim to achieve when performing their housing activities.

The Scottish Housing Regulator monitors social landlords' compliance with the Outcomes. LHA's Factoring Policy will take account of and, comply with the relevant Outcomes contained within the Social Housing Charter, subject to homeowner consent where required. These are:

- Outcome 1 - Social landlords perform all aspects of their housing services so that every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services
- Outcome 2 - Social landlords manage their businesses so that tenants and other customers find it easy to communicate with their landlord and get the information they need about their landlord, how and why it makes decisions and the services it provides
- Outcome 3 - Social landlords manage their businesses so that tenants and other customers find it easy to participate in and influence their landlord's decisions at a level they feel comfortable with
- Outcome 6 - Social landlords, working in partnership with other agencies, help to ensure as far as reasonably possible that tenants and other customers live in well maintained neighbourhoods where they feel safe
- Outcome 13 - Social landlords manage all aspects of their businesses so that tenants, owners, and other customers receive services that provide continually improving value for the rent and other charges they pay
- Outcome 14 - Social landlords set rents and service charges in consultation with their tenants and other customers so that a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them.

The Scottish Housing Regulator has six Regulatory Standards, which all Scottish registered social landlords must meet. This policy is aligned to Standards 1, 2, 3 and 5 of the SHR's Regulation Framework:

- Standard 1 - The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users
- Standard 2 - The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities
- Standard 3 - The RSL manages its resources to ensure its financial wellbeing and economic effectiveness
- Standard 5 – The RSL conducts its affairs with honesty and integrity.

3.4 As landlord and factor, LHA accepts the responsibility for providing the services detailed in the written statement of service for all the properties within its factored portfolio.

- 3.5 The costs involved in providing a factoring service will be borne in the first instance by LHA and then recharged to the appropriate owners. Where planned common works are identified, we shall notify all affected residents to advise of the nature of the works, whilst advising any homeowners of costs, to provide owners with an opportunity to plan for this area of expenditure. We will also advise owners of any available grants or possible cover via building insurance.

4.0 POLICY OBJECTIVES

LHA aims to provide an efficient factoring service and value for money for owners in factored properties by:

- Managing the factored properties and estates effectively
- Ensuring that debts and operating costs are pursued fairly in accordance with agreements and the Factored Owners Debt Recovery Policy
- Monitoring and reporting performance of the factoring service bi-annually
- Ensuring an effective dialogue with owners is maintained.

5.0 FACTORING SERVICES

LHA will provide each customer with a Written Statement of Services (WSS) which will detail the terms and service delivery standards of the arrangement in place between the homeowner and LHA. LHA has the Authority to Act as Property Factor due to the following reasons. LHA was:

- Named as factor in the Title Deeds
- Appointed by a majority vote of proprietors
- Appointed directly by developer
- Already the factor for the block at the time that the property was purchased
- Operating as factor by custom and practice arrangements with no formal appointment.

Our authority to act for a specific block/development is provided to homeowners in our Written Statement of Service.

LHA provides a comprehensive property management service which includes the following services.

5.1 Staffing

The Factoring Service will be administered by the Housing Services Team under the direction of the Housing Services Director. Overall responsibility for delivering Factoring Services will be led by the Housing Services Director. The Housing Manager will carry out day to day management functions of the Factoring service and will be supported by the Housing Services, Property Services and Corporate Services teams.

The Housing Manager will be responsible for:

- Overseeing the day to day running of the Factoring Service
- Providing the bi-annual reports on the service for the Housing Services Director to take to the Management Committee
- Current and Former account reviews
- Collection of outstanding debts

The Property Services Team will be responsible for:

- Organising of common repairs including cyclical and major repair work
- Quality control
- Common Inspections
- Insurance claims
- Carrying out consultation with factored owners.

The Finance team will be responsible for:

- Account management including billing for common repair works, cyclical and major repair works
- Calculating the apportionment costs for new and outgoing owners
- Procurement of building insurance cover whilst ensuring competitive pricing and value for money
- The management of cyclic funds and floats

5.2 Building Insurance

LHA has a legal responsibility as a Property Factor provide buildings insurance where required in terms of the title deeds . The Deed is designed to protect everyone's interests and ensure that the block is always fully covered in the event of an insured act such as fire or storm damage. Unless permitted by the deed of conditions, an owner cannot opt out of block building insurance cover – it is a legal requirement. Owners are obliged to maintain the annual premiums for such insurance cover.

LHA will seek to obtain best value when arranging block policy insurance. The policy cost will be charged annually.

A summary of the Insurance Policy will be issued annually to all factored owners which will explain what is and is not covered by the Policy and any excesses which apply.

LHA **does not provide house contents** insurance; however, it is recommended for all owners to arrange to have this cover.

5.3 Common Repairs

LHA aims to provide a prompt and efficient common repairs service. The main benefit of participating in the factoring service is that common repairs up to our delegated authority can be ordered and carried out promptly without the need to get prior agreement between residents.

These repairs will be managed in line with our current repairs policies. Consent levels are contained within the Deed of Conditions; any repair required over the consent level will not be carried out without consulting relevant owners and obtaining authority to proceed with the works. However, LHA can instruct and have executed emergency work considered necessary in the interim for the protection or safety of the property or person pending the decision of proprietors.

Repairs covered under the heading 'common' may include the following:

- The roof - which includes all slates or tiles, timbers, the loft space, roofing felt, flashing's, leadwork, gutters, parapets, chimney heads and chimney stacks
- External stonework (where this is defined in the title deeds), roughcast, brickwork and gable end (where the tenement is not adjoined by another tenement)
- Downpipes
- The rising cold-water main pipe on your side of the building

- The common close and staircase including steps, bannisters, and balustrades
- The front steps and any porticos or decorative entranceways
- External steps, balustrades, and wrought iron works
- A controlled entry door and common electrical circuitry
- Close tiles and/or plasterwork
- A rear close door or gate, any stairs leading to the backcourt and any rear close access areas
- All parts of the back court including fences, railings, gates, bin stores or bin shelters, common drying areas including washing poles, grassed or earthed areas, gravel beds and hard standing areas, retaining walls
- Drains and underground pipes
- The solum and foundations
- Gable wall

The Deed of Condition for each property will confirm precise details. Repairs are classified as either emergency, urgent or routine. An emergency repairs service is in operation outwith office hours. Owners must be sure when calling out emergency contractors that the repair is of a common nature and is an emergency, otherwise the owner will have to meet the full costs of the call out.

5.4 Cyclical & Planned Repairs

Planning 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 prior to works being carried out only where the costs of the works exceeds our delegated authority. Any works above the consent levels contained within the Deed of Conditions, will not be carried out until consultation has taken place.

Owners will only be invoiced once the work has been completed to the satisfaction of LHA.

5.5 LHA will not carry out work to private houses

5.6 Property Inspections

Inspection of backcourts, common closes and entrance paths will be carried out by the Property Services Team, inspections will be documented and retained for audit purposes. Communal Attic Tanks will be inspected on an annual basis as part of the cyclical legionella programme.

5.7 Maintaining Common Areas

LHA can offer the following services at a cost to factored owners:

- Grass cutting
- Estate Caretaker Service including litter picking
- Backcourt maintenance, such as weeding, moss removal and shrubbery maintenance
- Close cleaning
- Common Window cleaning

Where the majority of factored owners are in favour of the arrangement then the close and window cleaning can be added to the contract. The additional costs will be added to the factoring account bi-annually. Where LHA considers that the level of cleanliness or maintenance is below an acceptable standard due to non-participation a one off clean will be arranged, which will be recharged to the close as a common repair.

5.8 Cyclical Maintenance or Sinking fund

LHA may offer a service that includes a requirement to pay an up-front charge into a repairs fund. This will minimise any unforeseen bills for factored owners. Where LHA foresees a large item of expenditure it may agree with owners to set up and administer a fund to save towards the cost of the major repair or improvement.

5.9 Disputes

Complaints about the management of the factoring service will be dealt with through LHA's complaints policy in the first instance. Should LHA be unable to resolve the complaint or dispute the owner may make an application to the First-tier Tribunal for Scotland (Housing and Property Chamber).

Where a dispute arises over the maintenance or improvement of the common parts of the block/development, where the title permits LHA may refer the decision to an independent surveyor who shall decide on the most appropriate course of action subject to approval by the homeowners and advanced payment of the associated costs (if required by LHA).

Alternatively, LHA will call a meeting of homeowners in accordance with the titles to vote on the proposed works. Depending on the nature of the works proposed, majority vote or unanimity may be required. The terms of the title deeds or Tenement (S) Act 2004 will govern the voting mechanism. In the event that the factored owners do not agree the proposed work cannot proceed.

6.0 FACTORING SERVICE COSTS

LHA provides a comprehensive property management service which includes the full maintaining and inspection service to the common areas. The costs associated with providing these services will be reviewed annually as part of the budget setting process. Owners will be notified in writing and given 28 days notice of any increase for the following year. LHA aims for the factoring service to be self-financing therefore all costs incurred by providing the factoring service must be passed onto the factored owners. The Management Fee charged to factored owners covers our core services as outlined in the Written Statement of service

- Handling enquiries and complaints
- A responsive communal repair reporting service, including a 24-hour emergency service
- Appointing, managing, and paying contractors for repairs, landscaping, and cyclical maintenance work within LHAs delegated authority
- Consulting on work above LHA's delegated authority
- Apportionment of charges amongst owners and provision of payment facilities
- Debt recovery where applicable
- Administering any applicable cyclical maintenance funds (also known as Sinking Funds) within an interest-bearing account
- Ensuring compliance with all relevant statutory obligations
- Arranging the Estate Caretaker Service (frequency stated in the *Property Specific Schedule*)
- Preparing programmes of work based on site inspections and arranging any necessary works within our delegated authority. LHA will consult owners, where applicable in accordance with the Title Deeds for work above our delegated authority. LHA will share details of programmed works on request.

6.1 Common Repairs Administration

The administration of common repairs is covered by the Management fee. Owners will be charged for a proportionate share of any repair work carried out which once completed will be added to their next invoice. The share apportionment for common repairs is normally stipulated within the Deed of Conditions. If the title deeds do not state how the ownership should be split up, then costs will be apportioned in line with the Tenement Management Scheme (TMS)

6.2 Major Works

Where major works are planned (works over delegated authority level) the factored owners will be responsible for any administrative charges to pay for the contract preparation and supervision. Our administration charges are detailed in our Property Specific scheduled.

6.3 General Information Lenders and Solicitors

LHA will liaise with Banks, Building Societies and Solicitors to assist owners when they are selling their property.

6.4 Payments

Invoices will be issued six monthly in arrears immediately after the period end and cover the following periods:

- 1 April to 30 September
- 1 October to 31 March

Payment is due within 28 days from the date of the invoice (as per title deeds).

7.0 INVOICES AND RECEIPTS

LHA will keep detailed records of all works ordered. Owners can request invoices or receipts for work they have been charged for.

Debt Recovery

Owners are requested to settle their accounts within 28 days from the date of the invoice. If payment is not received within the period, we will invoke our Factoring Debt Recovery Procedures. Continued failure to settle account could result in legal action being pursued for recovery of any monies due.

8.0 FORMER OWNER ARREARS AND CREDITS

Where an owner leaves their property and there is an arrear or credit on the account, these accounts will be reviewed bi-annually to assess if the arrears are recoverable or require to be written off. In the event the account is showing a credit, LHA will try and contact the owner to advise them of the credit and how they would like it paid to them.

All accounts should be assessed individually considering:

- Is there a forwarding address for the owner?
- Cost of tracing former owner
- Cost of pursuing debt v actual debt before any account is written off is approved by the Housing Services Sub- Committee.

9.0 SALE OF PROPERTY

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

1. Name of new owner
2. Date of settlement

Solicitor acting on new owner's behalf should remember that where outstanding debts are held there may be difficulties in trying to sell the property.

LHA will advise solicitors if there are outstanding arrears during the sales process.

10.0 COMMUNICATION AND CONSULTATION

LHA will keep all factored owners informed of its activities through a variety of methods including:

- Owners factored by LHA will receive a Written Statement of Services and will also receive regular copies of newsletters and annual report
- Owners factored by LHA will be invited to join groups set up by the LHA to monitor its performance e.g., Estate Action Group, Scrutiny Panel
- LHA or its factored owners can arrange ad-hoc meetings regarding the factoring service
- Regular reports will be presented to the Housing Services Sub-committee on the activities carried out to factored properties.

11.0 REPORTING

Bi-annual reports will be presented to the Housing Services Sub-Committee. These will include:

- The value of outstanding accounts
- Details of legal action being pursued

12.0 COMPLAINTS

LHA operates a Complaints Policy that is open and transparent. Should any customer or service user feel the need to make a complaint against an individual or the organisation, the complaints policy and procedure will be implemented. If LHA are unable to resolve the customer's complaint, they may make an application to the First-tier Tribunal for Scotland (Housing and Property Chamber).

13.0 PUBLICISING & AVAILABILITY

This policy is available on the LHA website. Copies are available free of charge. A summary of this policy can be made available in other formats and languages.

14.0 EQUAL OPPORTUNITIES STATEMENT

We recognise our pro-active role in valuing and promoting diversity, fairness, social justice, and equality of opportunity by adopting and promoting fair policies and procedures. We will check this policy and associated procedures regularly for their equal opportunity implications, taking appropriate action to address inequalities likely to result or resulting from implementation of the policy and procedures.

We are committed to providing fair and equal treatment to all applicants and tenants and will not discriminate against any on the grounds of race, colour, ethnic or national origin, religion, age, gender sex, sexual orientation, marital status, family circumstances, employment status or physical ability.

15.0 DATA PROTECTION AND GENERAL DATA PROTECTION REGULATION (GDPR)

General Data Protection Regulations - LHA will process information and data contained within the information that we receive in accordance with its Policies and Procedures relating to the General Data Protection Regulations and all factored owners will be issued with a Fair Processing Notice. All staff members will be made aware of their responsibilities in relation to the General Data Protection Regulations and will be trained in the process that LHA has introduced to ensure compliance with GDPR.

16.0 OTHER RELEVANT POLICIES AND PROCECURES

This policy also relates to:

- Written Statement of Service
- Consultation procedure for common repairs
- Factoring debt recovery procedure
- Complaints Policy and Procedures
- Equal Opportunities Policy and Procedures
- Recharge Policy and Procedures

17.0 POLICY REVIEW

This policy will be reviewed every three years or earlier if changes are required.

WRITTEN STATEMENT OF SERVICES FOR FACTORED OWNERS

Lanarkshire Housing Association Ltd

**191 Brandon Street
Motherwell
ML1 1RS**

Telephone: 01698 269119

Email: enquiries@lanarkshireha.com

Registration Number: PF000275

1. INTRODUCTION

In accordance with the Code of conduct introduced under the Property Factors (Scotland) Act 2011, this written statement of service sets out the terms and service delivery standards of the arrangements in place between Lanarkshire Housing Associations Limited and owners who receive a factoring service from us.

Lanarkshire Housing Association Limited (hereafter referred to as LHA) is the property factor for your estate as defined within Section 2 of the Property Factors (Scotland) Act 2011.

2. AUTHORITY TO ACT AS FACTOR

The basis of our authority to act as factor may be based on the Title Deeds to your property, appointment by a Developer or a majority of owners, by a custom and practice arrangement with no formal appointment, by Transfer of Engagements from a previous social landlord, or by purchasing the assets of another property factor. Our authority to act for this development is detailed in your *Property Specific Schedule*.

Where we have purchased the assets of another property factor, a clear statement confirming whether we have taken on the outstanding liabilities of the previous property factor, and any other implications of the takeover for homeowners will be provided in your *Property Specific Schedule*. A Transfer of Engagements (as opposed to purchase) means that services continue to be delivered as detailed on our website and in this Statement; and LHA takes on all outstanding liabilities as the previous factor no longer exists.

2.1 Conflict

From time to time a conflict may occur where the Title Deeds say something different to this Written Statement of Service. Where the Title Deeds conflict with this Written Statement of Services, the Title Deeds will prevail. Where the property Title Deeds conflict with the Code of Conduct for Property Factors (hereafter referred to as the Code), the Title Deeds will prevail. All other parts of this Written Statement of Services on which there is no conflict will continue to apply.

2.2 Extent of Common Areas

The Title Deeds confirm the area(s) for which you are jointly responsible (hereafter referred to as the Common Areas). All Title Deeds, including title plans, are lodged with the Registers of Scotland and you can contact them to obtain a copy, on payment of a fee, using the following details:

Registers of Scotland, Meadowbank House, 153 London Road, Edinburgh, EH8 7AU

Phone: 0800 169 9391 www.ros.gov.uk

2.3 Delegated Authority

The basis of LHA's authority to act entitles LHA to carry out routine repairs without obtaining consent from owners in advance up to the threshold value (hereafter the delegate authority level) specified in the *Property Specific Schedule*.

If the cost of works is greater than LHA's delegated authority level, we will consult with owners in line with our consultation procedure to obtain consent from owners before work is progressed. LHA will provide estimated costs when seeking majority agreement, or unanimous agreement in the case of significant improvements, from owners. This can be obtained in a variety of ways including at a meeting, through a digital form, or in writing (including by email). LHA may also require a mandate, or minute of agreement, from owners agreeing the cost and payment in advance of work being instructed.

LHA does not require owners' permission to progress emergency repairs, even if the costs exceed the delegated authority level. Emergency repairs are where urgent work is required to prevent damage, or in the interests of health and safety, and where there is not time to use the normal channels of consultation and decision making.

2.4 Declaration of Interest

Any financial or ownership interest which LHA has within your development is set out in the *Property Specific Schedule*.

2.5 Property Rented Out

If your Title Deeds allow you to rent out your property and you decide to do so it is essential that you keep LHA updated with your current contact information for billing, general communications, and emergencies. Even where a letting agent is employed, owners will continue to be liable for factoring related costs and are required to communicate with LHA regarding the factoring issues. Unless you request otherwise, correspondence will be issued to the address of the factored property.

3. SERVICE PROVIDED

3.1 Core Service

LHA provides a core service which is included in the management fee (also known as the factoring fee) outlined in your *Property Specific Schedule*. This service includes:

- Handling enquiries and complaints
- A responsive communal repair reporting service, including a 24-hour emergency service
- Appointing, managing, and paying contractors for repairs, landscaping and cyclical maintenance work within LHAs delegated authority
- Consulting on work above LHA's delegated authority as described at Section 2.1 of this document
- Apportionment of charges amongst owners and provision of payment facilities
- Debt recovery where applicable

- Administering any applicable cyclical maintenance funds (also known as Sinking Funds) within an interest-bearing account
- Ensuring compliance with all relevant statutory obligations
- Arranging the Estate Caretaker Service (frequency stated in the *Property Specific Schedule*)
- Preparing programmes of work based on site inspections and arranging any necessary works within our delegated authority. LHA will consult owners, where applicable in accordance with the Title Deeds for work above our delegated authority. LHA will share details of programmed works on request.

3.2 Communal Repairs

As your factor, LHA will only carry out repairs to Common Areas and is unable to provide a repair service for your private property.

Owners are responsible for reporting communal repairs to LHA and LHA's staff will also report, and process repairs identified through estate inspections or following reports from residents.

Please ensure any acts of vandalism are reported to the Police. LHA can only progress insurance claims for work relating to vandalism if you provide us with a crime reference number, which is given to you by the Police.

Owners of properties constructed in the last 10 years should check their warranty documentation e.g., NHBC or equivalent for details of repair reporting requirements in relation to defects before reporting any repairs to LHA.

3.2.1 Reporting Repairs: Routine and Emergency

Emergency Repairs can be reported 24 hours a day, 7 days a week. Emergency repairs are where urgent work is required to prevent damage, or in the interests of health and safety, and where there is not time to use the normal channels of consultation and decision making.

To report an emergency repair at any time please phone: 01698 269119 which is diverted to an out of hours emergency service out with our normal office hours.

All other repairs can be reported by phoning 01698 269119 or by emailing enquiries@lanarkshireha.com between 9am and 5pm Monday to Friday.

Owners of properties constructed in the last 10 years should check their warranty documentation e.g., NHBC or equivalent for details of repair reporting requirements in relation to defects before reporting any repairs to LHA.

LHA will ensure a range of options on repairs are considered and, where appropriate, recommend the input of professional advice. The cost of the repair or maintenance must be balanced with other factors such as likely quality and longevity.

3.3 Repair Target Response Times

Our current target response times:

Category	Definition	Target response time
Emergency	Include repairs to common item which could cause danger or present danger to residents' safety or cause serious damage to property.	2 hours
Urgent	Relates to defects affecting common areas that significantly distract from the use of the property.	5 working days.
Routine	Less urgent repairs that cannot be delayed until a future cyclical maintenance programme.	8 working days

When an owner notifies LHA Property Maintenance of a repair, they will confirm the target response time.

Where the reported repair has an estimated cost above the delegated authority limit, we will consult with owners when required and provide owners with any necessary progress reports. Repairs to elements covered by a warranty and non-routine works requiring tender, consultation or specialist equipment may take longer than the routine timescales outlined above.

Where work above our delegated authority is cancelled, homeowners will be made aware in a reasonable timescale, provided with information on next steps and what will happen to any money collected to fund the work.

3.4 Area Specific Services

As part of our appointment LHA may have agreed to provide additional services for your development. Additional services will be confirmed in the [Property Specific Schedule](#) together with details of charges.

Additional services may include specific maintenance duties by specialist contractors which contribute to fire safety, e.g., the requirement in fire safety law to maintain any measures provided in communal areas for the protection of firefighters e.g., firefighters lifts, rising fire mains, etc.

4.0 FINANCIAL AND CHARGING ARRANGEMENTS

4.1 Charges

We pride ourselves in delivering good value for money, strive to continually improve the services provided and aim to keep costs as competitive as possible.

Your total charges cover various elements including:

- Management fee
- Your share of the common charges as set out in the [Property Specific Schedule](#).
- Building insurance (where applicable)
- Estate Caretaking service

- Ground Maintenance Service

You may also be required to pay a float and / or cyclical maintenance fund (also known as a sinking fund) as part of the service. See Sections 4.4 and 4.5.

At certain times there may be **additional costs** to pay, as set out below and detailed in your *Property Specific Schedule*.

4.2 Management fee

LHA management fee is set annually and charged per property. The fee is based on the level of service of provided to you and the costs associated with this. The current annual fee is confirmed along with any additional fees in the *Property Specific Schedule*.

4.2.1 How this fee is set

The management fee and additional fees are reviewed annually to ensure it accurately reflects costs incurred. LHA will provide 28 days' written notice of any management fee changes greater than the rate of inflation. To set fees, LHA assesses the direct costs associated with providing the service including the management cost per property, staff overheads and other costs.

4.2.2 Share of common charges

The share each owner pays is determined by the Title Deeds. The breakdown of your share of the common charges is confirmed in the *Property Specific Schedule*.

The charges for works which have been carried out are applied to your account as soon as possible after LHA has paid the contractor's invoice. The performance of our contractors is monitored throughout the contract period and invoices paid accordingly. LHA will carry out post work quality inspections on 5% of all common repairs that have been complete.

LHA invoices you what the contractors charge us for the service they provide. Copies of the contractors' invoicing can be provided on request, where available, subject to removal of any commercially sensitive information. Any charge made for providing copies is confirmed in the *Property Specific Schedule*.

4.2.3 Block Building Insurance

If a block building insurance policy is in place to cover the communal elements of the property (excluding home contents), the premium cost and administration fee will be stated in your *Property Specific Schedule* and outlined within the policy schedule

If you wish to make a claim under the policy provided as part of your factoring service, please contact LHA on 01698 269119 or email enquiries@lanarkshireha.com.

If a block building insurance policy is not included in your *Property Specific Schedule*, owners must arrange their own building insurance. Flat owners have a statutory duty to insure against prescribed risks, such as fire or flood, including partial and up to total loss of property.

The premium due is linked to the reinstatement value provided by the builder/surveyor at the time you purchase the property, or more recent stock revaluation data obtained for insurance purposes. The reinstatement value of the property is the rebuild cost, which is different from the property value on the open market.

LHA's block insurance premium is index linked, however in accordance with the good practice detailed in the Code, LHA will commission a property revaluation at least once every five years to establish the property value. The administration and survey costs of revaluation are recharged to owners.

If LHA provides Public Liability Insurance, this will be detailed in your *Property Specific Schedule*.

LHA will appoint an insurance provider. Premium costs are located in the *Property Specific Schedule* which is issued annually to owners. The insurance premium is automatically renewed annually, and the premium automatically starts when a new insurer has been appointed.

Owners are not allowed to opt out of block building insurance provided by LHA if the Title Deeds require participation. If your Title Deeds and /or any factoring agreement permit you to do so, owners should contact LHA at least four weeks before the premium renewal date, currently 28 April. All flat owners are legally obliged to have appropriate buildings insurance in place to the full re-instatement value of their property and LHA may seek evidence that owners have this in place.

LHA will write out to you once a year to confirm the annual premium amount. A Summary of Cover will be provided free of charge. Full details of the policy documentation are available for owners to review on request. Fees for copies of the full documentation are detailed in the *Property Specific Schedule*.

LHA does not receive any commission for insurance. LHA's annual administration fee for arranging block insurance is detailed in the *Property Specific Schedule*.

4.2.4 Estate Caretaking service

This service is provided to all estates and includes regular visual checks of the area, litter pickup, checking bin & common areas and providing feedback on any problems within the estate. The caretaker may also carry out minor works, such as changing lightbulbs in common areas.

4.2.5 Ground Maintenance

Title plans should show the common areas within the estate and a ground maintenance service is provided for these, which includes regular grass cutting during the growing period (April to October) and reduced winter visits. Services also include shrub bed maintenance, tree pruning and weed control.

4.3 Additional Charges and Services

Additional services relating to your development are detailed in the *Property Specific Schedule*. This may include:

- The administration of major repairs above the value of our delegated authority, for which an administration fee is charged upon completion, as detailed in the [Property Specific Schedule](#)
- The management of, or apportionment of monies associated with, Photo Voltaic Panels (PVPs) or Solar Panels serving communal areas as detailed in the [Property Specific Schedule](#)
- The administration and cost of providing copy documentation as detailed in the [Property Specific Schedule](#)
- Any other items which are development specific as detailed in the [Property Specific Schedule](#)
- No charge will be made for issuing invoices in the first instance. A copy of contractor invoices will be supplied on request, free of charge, in the first instance. Any further requests for copy invoices will be charged for in accordance with the [Property Specific Schedule](#)

4.4 Float

The requirement to pay a float will be detailed in the [Property Specific Schedule](#) for your property. The float amount will either be set by the Deed of Conditions or be determined by LHA as Factor. The amount of any float payable for your property is set out in the [Property Specific Schedule](#).

The float payment is required from each homeowner within 14 calendar days of receipt of the New Owner Pack, which details our Written Statement of Services and payment methods when you purchase your factored property. Unless the Deed states otherwise, in the event of a sale of a property, the float will automatically be credited to the homeowner's final account. LHA holds float funds belonging to owners in a separate accounting structure.

The fund contributions will be reviewed annually, and you will be advised of any change to the contribution before an account is relating to the revised charges.

LHA reserves the right to transfer floats into accounts to cover unpaid common charges.

4.5 Cyclical Maintenance or Sinking Fund

A Cyclical Maintenance Fund (sometimes known as a Sinking Fund) may be set up to pay for future major repair or replacement of common elements. LHA will notify owners where a Cyclical Maintenance fund is in place and explain the reason for the fund. Cyclical Maintenance funds are held in an interest-bearing account on behalf of owners. Payments to the Cyclical Maintenance fund are non-refundable. If an owner sells the property any Cyclical Maintenance funds paid by the owner will not be refunded. The amount should, however, transfer as an asset with the sale of the property. Where owners are contributing to a cyclical maintenance fund, details will be listed in the [Property Specific Schedule](#).

4.6 Final Account Fee

Owners are responsible for advising LHA of any change in homeownership. LHA requests owners provide six weeks' notice in advance of selling their property wherever possible.

LHA will compile a final account for owners within 3 months of being notified of the date of sale, although it may be later if we await final bills relating to contracts for works and services; or if six weeks' notice has not been provided by the owner.

The final account fee is reviewed annually, and LHA will provide 28 days' written notice of any changes.

4.7 Invoicing

The factoring invoice is a detailed financial breakdown and apportionment of service charges applied to your account, including payments made during the period detailed on the invoice. Invoices are issued in April and October of each year by post or electronically. Requests for copies of contractor's invoices are handled as set out in 4.1.3 above.

All invoices are due to be paid within 28 days. Invoices are produced and issued in arrears in line with the basis of appointment our and as confirmed in the *Property Specific Schedule*.

5.0 PAYMENT METHODS AND DEBT RECOVERY

5.1 Making a Payment and Late Payment Charges

Payments are due within 28 days of the date on our invoices. LHA may apply reasonable charges for late payment of invoices. Our current late payment charges are detailed in the *Property Specific Schedule*. We will notify owners in advance of any changes in the late payment fee amount.

The variety of payment methods we offer are clearly set out in our invoices and may include some of the following:

- By cheque, made payable to Lanarkshire Housing Association Ltd
- Cash in person at our office
- By standing order
- Bank transfer

To discuss payment arrangements, please contact us on 01698 269119 or email enquiries@lanarkshireha.com.

5.1.2 Charges in Dispute

Charges will show on invoices for information only until disputes are responded to. Where a charge is in dispute and is being referred to the First-tier Tribunal for Scotland (Housing and Property Chamber), LHA will not apply any interest or late payment charges in respect of the disputed items during the period the committee is considering the case.

5.2 Debt Recovery

Where debts arise, LHA will seek to recover them in accordance with the Factoring Debt Recovery Procedure.

- LHA will advise owners of the potential consequences of non-payment and the substantial legal and administrative charge implications
- LHA will take legal action against an owner where necessary, after first taking reasonable steps to resolve the matter and will always give notice of our intention
- Our ability to continue service provision is dependent on owners' payments being made within the timescales requested
- LHA can inform owners of any debt problems of other owners which could have implications for them, and the service provided (subject to any limitations of data protection legislation). This will be communicated in writing and/or by holding a meeting
- LHA reserves the right to add these debts to the overall costs for the stair/block/development and to recharge these to all other owners within the stair/block/development where the Title Deeds, or factoring agreement, permit. LHA will advise owners about this before doing so.
- If LHA needs to take legal action against you to recover sums owed to us, you may be liable for our related costs.
- If a Notice of Potential Liability (NOPL) is raised against the property, the owner will be charged administration fees for registration, implementation, and discharge (if required), and any additional legal fees incurred.
- If an Arrestment or Inhibition is raised against the property, the owner will be charged administration fees for registration, implementation, and discharge (if required), and any additional legal fees incurred.

6. CONTRACTORS

Any work LHA instructs will be carried out by a competent contractor. Our procurement process is generally governed by several pieces of legislation. These include the Procurement Reform (Scotland) Act 2014, Procurement (Scotland) Regulations 2016 and any other relevant legislation. Our governance framework, including our Procurement Policy sets out the processes to be followed when procuring contractors and services. Further details on the procurement of contractors can be provided on request.

In relevant cases we will continue to use contractors originally appointed by the developer where this has been assessed to deliver best value.

- LHA will ensure procedures are in place for handling out-of-hours emergencies, including giving contractors access to properties for emergency repairs to common parts. LHA will ensure all contractors appointed have public liability insurance.
- LHA will pursue the contractor or supplier to remedy the defects in any inadequate work or service provided. If appropriate, LHA will obtain a collateral warranty from the contractor.
- LHA does not receive any commission, fee or benefit from any contractors appointed to carry out work.

On request LHA will provide information relating to how and why contractors were appointed, including any tendering process (excluding commercially sensitive information) free of charge on request. If copies are required LHA will charge a fee as

set out in the *Property Specific Schedule*.

7.0 COMMUNICATION ARRANGEMENTS

7.1 Contacting Us

Please use the following details for enquiries, complaints, and compliments:

- Billing enquiries and complaints: Staff are available Monday to Friday, 9am to 5pm on 01698 269119 or email enquiries@lanarkshireha.com.
- Write to us at: Lanarkshire Housing Association Ltd, 191 Brandon Street, Motherwell, ML1 1RS.
- To report a repair please see section 3.2 Communal Repairs
- Communication with owners will be issued electronically where an email address is provided, unless alternative arrangements have been agreed with an owner. Otherwise, communication will be issued by post. LHA may also communicate through text message where a mobile number is provided

In all communication with owners, we aim to:

- Provide accurate information
- Make sure that someone will always take responsibility to follow up and deal with your enquiry if it cannot be answered first time
- Keep you informed of the progress of your enquiry
- Maintain all information systems in accordance with data protection legislation and the Factored Owners Privacy Notice which is available on our website and on request. LHA Information Commissioner's Office's Data Protection Public Register registration number is Z5205173
- Provide a polite, friendly, and informative service

7.2 Response Timescales

LHA aims to answer written and telephone enquiries within five working days. Our office hours are Monday to Friday 9am to 5pm. Public holidays and office closures will be advertised on our website.

Please call 01698 269119 at any time to report emergency repairs.

7.3 Complaints:

LHA has a two stage complaints process:

Stage 1: We aim to resolve this at first point of contact or within five working days if further investigation is needed to respond. LHA will keep you updated if more time is needed to respond

Stage 2: We aim to fully investigate and respond within 20 working days. LHA will keep you updated if more time is needed to respond.

LHA is committed to providing a high-quality customer service. We value complaints as well as compliments and use information from them to help us improve our services.

7.3.1 What is a Complaint?

We regard a complaint as any expression of dissatisfaction about our action, or lack of action, or about the standard of service provided by us, or by someone else working on our behalf.

Anti-social behaviour complaints are out-with our remit as a factor. Anti-social behaviour can be reported to the local authority, Police, and landlord where applicable. Contact details of private landlords are available at <https://www.landlordregistrationscotland.gov.uk/search>.

Complaints about Lanarkshire Housing Association tenants can be made by calling 01698 269119 or by emailing enquiries@lanarkshireha.com.

7.3.2 How to Make a Complaint

You can make a complaint using the contact details at 7.1. We aim to achieve a front-line resolution whereby complaints are resolved within five working days.

When making a complaint, please tell us:

- Your full name and address
- Specific details regarding your complaint
- The works order number if your complaint involves a charge on your invoice
- What you feel has gone wrong
- How you want us to resolve the matter

We are committed to making our service easy to use for all members of the community. We will make reasonable adjustments to help customers access our service in line with our statutory duties. If you have trouble putting your complaint in writing, please tell us.

All complaints will be considered in accordance with our two stage complaints process. Our complaints policy is available on request and information on how to make a complaint is located on our website.

Where LHA take over from another property factor, we will work with the previous factor to ensure all necessary or relevant information is exchanged. This will include information on any outstanding complaints. Where the previous factor still exists, they will deal with complaints that arose during their appointment. Where the previous factor no longer exists, LHA will take responsibility for all liabilities and complaints regarding the factoring service.

7.3.3 Complaints to the First-tier Tribunal for Scotland

The Code states that in order to take a complaint to the First-tier Tribunal for Scotland (Housing and Property Chamber), owners must first notify their property factor in writing of the reasons why they consider that the factor has failed to carry out their duties or failed to comply with the Code.

If you are dissatisfied with LHA's final (Stage 2) response to your complaint and believe we have failed to carry out our factoring duties, comply with the Code or unreasonably delayed attempting to resolve your complaint, you can seek a resolution by contacting

the First Tier Tribunal for Scotland (Housing and Property Chamber) on 0141 302 5900 or visit www.housingandpropertychamber.scot

8. HOW TO END THE FACTORING AGREEMENT

LHA aims to provide a professional service that offers good value for money. LHA values its customers and hopes you choose to stay with us. If you want to consider changing your factor, or terminating our services, the process will depend on the basis of our appointment. The details of how our appointment for this development can be terminated are set out in the Title Deeds. If the Title Deeds do not make any specific provision about the termination of the property factor or the appointment of a new property factor, a majority of homeowners with an ownership interest in the Common Areas can vote to remove LHA as property factor and appoint a new property factor.

LHA reserves the right to withdraw from the role as property factor where it is considered appropriate. This may be due to the fact it is no longer cost effective to manage this estate. If LHA terminates the service, we will write to all homeowners and provide at least three months' notice.

On termination by either party LHA will issue final invoices as soon as possible and within three months of the date of termination. The final invoice timescale is dependent on the receipt of contractors' invoices.

LHA will co-operate with another property factor to assist with a smooth transition process in circumstances where another property factor is due to, or has taken over, the management of property and land owned by homeowners. If another property factor has been validly appointed then LHA will make arrangements with the other property factor to transfer the outstanding balances, including any factoring floats and any Cyclical Maintenance or Sinking Funds, directly to the other property factor.

LHA will only charge for services provided up to the date of termination and will not charge a penalty for early termination by homeowners.

9. PROPERTY FACTORS (SCOTLAND) ACT 2011 INFORMATION

Property factors must comply with all relevant legislation including the obligations to register as a property factor, to state our Property Factor Registration number on correspondence, and to comply with the Property Factors Code of Conduct which is available on the Scottish Government's website.

Lanarkshire Housing Association Equality Impact Assessment Tool



Name of the policy / proposal to be assessed	Factoring Policy	Is this a new policy / proposal or a revision ?	Replaces Property Management Policy
Person(s) responsible for the assessment	Liz White		
1. Briefly describe the aims, objectives and purpose of the policy / proposal	<p>This policy will ensure that LHA provides an efficient factoring service and value for money for owners in factored properties by:</p> <ul style="list-style-type: none"> • Managing the factored properties and estates effectively • Ensuring that debts and operating costs are pursued fairly in accordance with agreements and the Factored Owners Debt Recovery Policy • Monitoring and reporting performance of the factoring service bi-annually • Comply with our legislative requirements, good practice and the Code of Conduct • Ensuring an effective dialogue with owners is maintained 		
2. Who is intended to benefit from the policy / proposal? <i>(e.g. applicants, tenants, staff, contractors)</i>	<p>This policy covers the rights of Factored owners, recipients of a service from LHA, our employees and anyone who delivers a service on our behalf.</p> <ul style="list-style-type: none"> • Our allocation processes are fair and open and meet our legal and statutory obligations. 		

<p>3. What outcomes are wanted from this policy / proposal ? (e.g. <i>the benefits to customers</i>)</p>	<ul style="list-style-type: none"> • Our properties are allocated in a way that give reasonable preference to those most in housing need • We make best use of our housing stock • Our communities are balanced and sustainable • We meet our legal and regulatory requirements • Streamlined and simplified application process.
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<p>4. Which protected characteristics could be affected by the proposal? (tick all that apply)</p>				
Age	Disability	Marriage & Civil Partnership	Pregnancy/Maternity	Race
Religion or Belief	Sex	Gender Reassignment	Sexual Orientation	

<p>5. If the policy / proposal is not relevant to any of the protected characteristics listed in part 4, state why and end the process here.</p> <p>This policy clearly outlines our authority act on their behalf as outlined in their title deeds, it complies with the code of conduct for Property Factors.</p>

	Positive impact(s)	Negative impact(s)
<p>6. Describe the likely positive or negative impact(s) the policy / proposal could have on the groups identified in part 4</p>		

7. What **actions are **required** to address the impacts arising from this assessment? (*This might include collecting additional data, putting monitoring in place, specific actions to mitigate negative impacts*).**

- Supporting procedures require.
- Training on new policy and procedures.
- Improved Monitoring.

Signed:



Housing Services Director 26/8/2024

Date the Equality Impact Assessment was completed:

Please attach the completed document as an appendix to your policy / proposal report