

Policy on :	Factoring
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Compliant with Charter :	<p>1. Equalities Every tenant or other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services</p> <p>2. Communication Tenants & other customers find it easy to communicate with their landlord and get the information they need about their landlord, how & why it makes decisions and the services it provides</p> <p>13. Value for Money Tenants, owners & other customers receive services that provide continually improving value for the rent & other charges they pay</p>
Compliant with Equal Opportunities :	<p>Yes Equality Impact Assessment carried out.</p>
Compliant with Business Plan :	<p>Yes Section 6 Paisley South Property Services</p>

Date Approved:	August 2012
Date for Review :	July 2015

Responsible Officer:	Housing Manager
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Introduction

Paisley South Property Services (PSPS) is a non charitable subsidiary of PSHA, established in March 2004 to carry out the factoring duties in blocks & developments where Paisley South Housing Association (PSHA) own property within these blocks /development or in the vicinity. 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:

- register as a Property Factor by 1st October 2012
- re register every 3 years
- submit annual returns to the Scottish Government to update their register of all factored properties & land in Scotland.

PSPS will conduct its business in a manner that complies with all relevant legislation in addition to the Act. In particular this covers duties imposed by legislation relating to consumer protection, financial services, data protection & equalities.

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

Legislation

The Property Factors (Scotland) Act 2011

Tenements (Scotland) Act 2004

Title Conditions (Scotland) Act 2003

Data Protection Act 1998

The Equality Act 2006

Property Management Service

As the appointed factor PSPS provides a property management service within tenements for 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, 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 where they include common property, such as common ground and access roads, if 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 safety and health of the occupants and the public or the safety of the property.

- One off authorised major repair works
- Additional services – buildings insurance , managing maintenance contracts e.g. landscape maintenance , close cleaning
- Co ordination of payment for common electricity within the block

Title Deeds

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

The Title Deeds define the location of an owners property and tells them about their rights & responsibilities for their property and their shared responsibilities for the block. They may also say who owns the common parts and tells owners about their obligation to manage & maintain them.

The Deed of Conditions included within the Title 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, has gaps e.g.it does not say how decisions should be taken or not describing all common parts or has defects e.g. allocating shares of costs do not ad up to 100% then the provisions of the Tenement Act will apply.

Aims

Our aims are to provide an efficient & effective factoring service to owners who live in tenements where PSHA has ownership or where we have had involvement in the redevelopment of the property. Through delivering our factoring service we aim to maintain the asset value of both owners & PSHA properties.

Objectives

- To clearly define the respective duties & responsibilities of both owners & PSPS.
- To provide clear information to owners on our factoring services
- To regularly monitor and review our factoring service
- Ensure value for money
- To encourage owners to participate in the factoring process and decisions that affects their property.
- Provide owners with opportunities to participate in major works programmes being carried out by PSHA

Written Statement of Services

As a requirement of the Property Factors (Scotland) Act 2011 PSPS will provide each owner with a Written Statement. This will set out the terms and service delivery standards of the arrangement in place between us. This Statement will include PSPS's Property Registration Number.

PSPS will provide a Written Statement to;

- Any new owner, within 4 weeks, of PSPS agreeing to provide the Factoring Service to them

- Any new owner, within 4 weeks of being made aware of a change in ownership, where PSPS already provides the factoring service.
- To all owners within 1 year of initial registration.
- Any owner at the earliest opportunity (not exceeding 1 year) if there is any substantial change to the terms of the written statement

In preparing the Written Statement for each property PSPS will take account of any conditions within the Title Deeds and any other formal document with legal effect or any relevant legislation included within the Title Conditions (Scotland) Act 2003 & the Tenements (Scotland) Act 2004.

The Written Statement will include:

- 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 common routine & emergency works
- The non core services PSPS provides, their charges and how they are notified and calculated
- The management fee charged and the review process for determining any change to this
- What % of charges for common works & services are the responsibility of owners.
- Details of the common insurance policy & how the premium is calculated
- Confirmation that PSPS has a debt recovery procedure which is available on request
- Any joint liability for the non payment of fees and charges for common works and services by co owners
- Any arrangement for taking payments at termination of service
- Any arrangement for the collection of payment from owners for specific agreed major works or cyclical works, confirming amounts, payment & repayment (at change of ownership or termination of the service)
- 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 Homeowner Housing Panel.
- Details of our customer service standards
- Information on how owners can change or terminate PSPS factoring services.

Where there is a significant change to the factoring services provided to owners PSPS will re issue owners with a new Written Statement.

Management Fee

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

- Having access to report common repairs or discuss factoring issues with PSPS
- Reviewing insurance premiums
- Admin of common insurance claims
- Liaising with contractors to ensure common repairs are carried out timeously
- Pre & post inspections where required

- Arranging , monitoring and supervision of cyclical and major repair works contracts as appropriate
- Issuing quarterly bills & updating owners accounts
- Supplying documents to lenders & solicitors
- Debt recovery management
- Holding meetings as required
- Dealing with close maintenance & antisocial behaviour complaints
- Managing and apportioning common services costs
- Access to PSHA's Welfare Rights Services

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.

Charges

PSPS will invoice owners for its factoring service quarterly:

- 31st May
- 31st August
- 30th November
- 28th February

Owners can use a wide range of payment methods. Information on these is included along with invoices.

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 large cyclical contracts may be spread over 2 invoices or funds may be required up front where the cost to individual owners exceeds £200 if approved by the Board of Paisley South Property Services.

Copies of invoices, including quotes & tenders, relating to the provision of PSPS's factoring service 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.

- Charges for any agreed major repair works with owners

- Termination charges(if applicable)
Owners should notify PSPS prior to the selling or disposing of their property the name of the new owner and date of settlement. PSPS will charge an admin fee where Solicitors require guarantees/building warrants.
PSPS requires a signed mandate from the selling owner authorising release of monies retained in respect of outstanding liability, by the sellers' Solicitors. PSPS will not forward documents until either all outstanding debts are cleared or an irrevocable mandate is completed.
- 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 PSHA's block insurance policy
- Core Service charges
The cost for the bulk uplift service.

PSPS will advise owners of the various payment methods available. Owners can make payments by instalments in agreement with PSPS. Owners can pay in advance to their factoring account.

Responsibility for delivering the Factoring Service

PSPS will deliver the service as follows:

- The Housing Manager will be 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
- Housing Management staff will deal with general factoring enquiries , changes of ownership, the recovery of factoring debt & the promotion of the factoring service
- Technical staff will deal with identifying and processing common works, cyclical works and any major repair works, including notification & consultation with owners
- Finance staff will be responsible for having proper accounting requirements in place for PSPS to deliver its factoring service, issuing invoices and dealing with insurance.
- The Director will deal with complaints as per PSPS Complaints Procedure

PSPS 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
- Any other relevant business
- Charter Indicators Outcomes

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.

Communication

PSPS will communicate with owners by:

- Direct correspondence, email, telephone & text
- PSHA magazine
- PSHA's website www.psha.org.uk
- Individual & public meetings
- Owners Information Pack
- Fliers or promotional information from other agencies which may be of interest to Owners e.g. Care & Repair.

PSPS will provide information which is not misleading or false.

PSPS will not communicate with owners in anyway which is abusive or intimidating, or which threatens them (apart from reasonable indication that we may take legal action)

We will provide owners with all contact details, including out of hour arrangements.

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 providing work or services which will incur charges in addition to the core services stated within owner's written statement.

Owners will be invited to make comment on all of the services on an annual basis. Owners will also be included within PSHA's customer satisfaction survey which is carried out every 2 years.

Financial Obligations

PSPS considers 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 were calculated and that no improper payment requests are involved.

We 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 our own 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 (less any outstanding debts) 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 charges and payments there to, will be accounted separately through individual arrears accounts held on our housing management system.

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 adequate alternative insurance cover. Where owners do not provide satisfactory proof of adequate alternative insurance cover they will be put on the Block Policy, and advised accordingly.

Where applicable, we will provide each owner, in writing, with clear information showing the basis upon which their share of the 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.

We will confirm no commission fee is received for this service nor do we charge any additional fee. The only benefit to PSHA being any economies in scale in purchasing the service for PSHA and owners.

Where applicable, owners will usually be charged annually for buildings insurance in their May invoice. Such charges are not refundable if sales occur during the year of cover. However the insurance cover is transferable to the new owner.

Full details can be inspected by owners at the office within 5 days of the formal request.

The insurance procedure is in place which details insurance claims will be submitted and processed and where applicable details of how homeowners submit claims on their own behalf (for example, for internal works) and how they pursue these claims.

On request, we can provide details of how and why we appointed the insurance provider.

On request, 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 PSHA 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 & 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 how and why we have appointed contractors and 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.

Where PSPS will also inform owners of PSHA's 5 years investment programme which will include replacement works of common parts & property components e.g. windows, kitchens. PSPS may offer owners the opportunity of opting into property component contracts where appropriate.

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 that we receive from the appointment of a contactor. PSPS will use contractors from PSHA's approved list of contractors.

Debt Recovery

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

PSPS has a clear written procedure for debt recovery which outlines the steps it will take when an owner's account falls into arrears.

Where an owner expresses difficulty in making payments we will offer the services of PSHA'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 owners account. However where an owner is disputing their account and it is accepted for investigation by the Homeowner Housing Panel PSPS will not apply any interest during the period that the committee 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.

PSPS will not charge for handling complaints. We will keep a written record of all complaints received & their outcome and use this information to improve our factoring service.

PSPS will comply with any request for information from the Homeowner Housing Panel, the Scottish Public Services Ombudsman & the Scottish Housing Regulator in respects to any complaint application made to them.

Equal Opportunities

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.

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 of Directors and ratified by PSHA's

Management Committee. It will be reviewed every 3 years as a result of any change in legislation or recommendation made by the Homeowner Panel, SPSO or SHR.

Amendment to Policy approved by the Board on the 12th August 2013 – taking Bulk Uplift service out of the Management Fee and identifying it as a Core Service Charge.

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 /phone call 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.

correspondence	Acknowledge Response time From date/time of corres	Max Response Time – Standard Queries From date/time of corres	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
Enquiries at Reception	Immediately , in person	5 working days	10 working days
Request for a House Visit from a tenant	Arrange visit within 1 working day	3 working days	N/A