

Rutherglen and Cambuslang Housing Association

Factoring Services

Rutherglen and Cambuslang Housing Association is committed to maintaining and improving the living conditions of all residents. The Association's factoring service aims to help owners to maintain their properties to a high standard and at a reasonable cost.

Introduction to Factoring

What is a factor?

A factor is a person or an organisation who manages the common parts of a property on behalf of the owners. The factor acts on behalf of owners to keep the property in a good state of repair and to apportion costs for common repairs or other works. The common parts of a property include: the building structure; roof; close; backcourt.

What is a common repair?

A common repair is a repair for which all residents of the property are responsible. Each tenement (or apartment block) property has a legal document, the Title Deed, and often an associated document, the Deed of Conditions, which together set out the rules of operation and outline how the costs of any common repairs are allocated amongst the owners. These documents also set out the amount of money the factor is allowed to commit for common repairs, before seeking the agreement of owners.

Owners' responsibilities

Owners have a responsibility to keep their property and its common parts maintained. Owners are required to pay for common repairs and, where a factoring service is provided, to pay any management fees. When a property is sold, the new owner takes over responsibility for maintaining the property and paying for the factoring service.

What the Association's factoring service provides

The Association's factoring package includes the following:

1. Reactive common repairs

The Association will organise, instruct and monitor common repairs to factored properties.

The Association will aim to carry out these repairs within the timescales laid down in its

Maintenance Policy ie. emergency repairs within 24 hours, urgent repairs within 5 working days and routine repairs within 20 working days.

2. Cyclical (long-term) common repairs

The Association will include factored properties in a long-term maintenance programme aimed at preventing the property falling into disrepair. Examples of cyclical repairs are: roof maintenance; gutter cleaning; close painting.

3. Insurance cover for building and common areas

The Association can include owners' properties in its block building insurance policy. This policy provides insurance cover for common areas as well as individual properties, which all owners are required to have.

Additional services the Association can provide to owners

If all residents in a tenement block agree to it, the Association can provide the following additional services:

1. Close cleaning

2. Backcourt maintenance

Paying for the factoring service

Factoring management fee

The Association charges a factoring management fee to all owners who receive the basic factoring service. This charge covers the cost of providing the service and is a requirement of the Scottish Housing Association Regulator and your title deeds.

Additional administration costs

Owners who do not receive the full factoring service, but have areas of land that fall within our landscape maintenance contract or who have chosen to accept the Association's building insurance policy, are required to pay a fee to cover administration costs.

For any service not included in the basic factoring package, the Association will charge an additional fee per item to cover administration costs.

Floats

Many Deeds of Conditions include a clause enabling the factor to hold a float on behalf of owners in a property. The float is used to pay for ordinary repairs to the property. The Association aims to establish a float system for all factored properties. Repairs and other fixed costs will continue to be billed on a quarterly basis and owner-occupiers will be required to pay and keep the floats available for bills to be paid in the next quarter. When the owner sells the property, the float will be refunded once the balance due, up to the date of sale, has been cleared.

Insurance – how the Association can help

Building Insurance

The Association is able to include owners' properties in its block building insurance policy. This would be particularly attractive where the Association is able to obtain insurance at a specially discounted cost. Owners in traditional tenements and four-in-a-block properties have to make certain that their insurance includes common areas and the Association's buildings insurance policy provides this cover. Owners must also, if they decide to arrange their own building insurance, ensure that the value covered is sufficient. If it is found not to be, the factor often has the power to arrange sufficient cover and charge the owner accordingly.

Contents Insurance

Owners should be aware that insurance cover for contents is not included in buildings insurance. The Association does not offer contents insurance directly, but the Scottish Federation of Housing Associations (SFHA) offers contents insurance cover – Diamond Insurance – through their insurance brokers, Jardine Lloyd Thompson. Anyone wishing further information should contact the SFHA insurance hotline by telephone on 0845 601 6006.

Ownership Costs

The Association is aware that many owners have difficulty in meeting the costs of home ownership, particularly when faced with a lump sum bill for a major repair. The Association wants to keep its properties and common areas well maintained, so we will try to assist owners where we can. The Association can offer owners the opportunity to build up a fund to meet costs by paying for them on a monthly or other agreed basis. If an owner sells his/her flat, the accumulated fund for that property will be refunded less any outstanding balance due to the Association. Rather than saying "no" to work on

properties because of cost, we would appreciate it if you contacted us to discuss ways in which the Association might help.

Arrears

The Association is a locally managed not for profit organisation and as such we must ensure that we collect monies that are due to us as a result of our factoring service as efficiently as possible. Our management fees are extremely low in comparison with similar services offered by private companies and we hope to maintain them at this level. In the majority of cases the Association has already paid contractors for the invoices contained in your factoring account and we are therefore already in arrears when these are issued. It is therefore very important to us that your account is paid in full within 14 days of receipt. We understand that some accounts can be high particularly when major repair work has been carried out and we will look sympathetically at requests to pay these up where there is a genuine case of hardship. We would expect, however, that all accounts are clear prior to the issue of the next account.

In cases where there is no contact with the Association over arrears or these are continuing at an unacceptable level we will raise a court action for the recovery of the debt and this will affect your a credit rating and you may be liable for our legal costs as well as the debt. Alternatively we will register a Notice of Potential Liability for Costs on the title to your property which will flag up the debt should you attempt to sell it.

Communicating with You

The Association is committed to continually improving the service we offer to owners. To this end, we are happy to meet with owners, individually or collectively, to discuss issues of concern or to consult with you over new proposals. If you would like further information about our factoring service, please contact us on 0141 647 4917.

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