

Factoring Policy

Reviewed: February 2023

Next Review: February 2026



ROSEHILL HOUSING ASSOCIATION LIMITED
250 Peat Road, Glasgow, G53 6SA

1. Introduction

- 1.1 This policy details how Rosehill Housing Co-operative Limited (hereafter referred to as Rosehill) will provide factoring services to owners.
- 1.2 Rosehill will offer a factoring service to homeowners whose properties fall within its area of operation.
- 1.3 Rosehill is committed to providing an efficient and effective factoring service.
- 1.4 The factoring service is located within the Finance Department and is managed by the Finance Manager and the Factoring Co-ordinator.

The purpose of the factoring service is to provide a safe, high quality living environment for all occupiers, ensuring that the fabric of the building and common areas are maintained to a high standard and ensuring adequate insurance cover (where applicable) for the properties we manage.

- 1.5 Rosehill's provision of a factoring service will be dependent on owners making payment when requested.
- 1.6 The factoring service covers the following activities:
 - Provision of advice, information and obligations
 - Provision of Written Statement of Service
 - Management of repairs and maintenance to common areas
 - Management of services
 - Provision of estate management services
 - Arranging / ensuring adequate buildings insurance cover (where applicable)
 - Managing communal insurance claims
 - Consultation with owners and arranging owners meeting when necessary
 - Accounts management and invoicing
 - Debt collection and arrears management

2. Policy aims

The following principals govern the effective operation of this Policy:

- 2.1 Services will comply with the Property Factors (Scotland) Act 2011, associated Code of Conduct (revised 16th August 2021) and all relevant legislation on consumer protection, financial services, consumer credit licences, title conditions, health and safety, data protection and equalities.
- 2.2 Services will be financially sustainable and affordable to homeowners, with no cross subsidy from Rosehill's rental income.

- 2.3 Services will achieve the Scottish Social Housing Charter outcomes for owners in relation to equalities, participation, communication, and continually improving value for money.
- 2.4 Rosehill's advice to owners will be impartial and factual in relation to both works required and actions necessary for compliance with Title Deeds / Deed of Conditions.
- 2.5 Rosehill will account clearly for monies held on behalf of owners. We shall require a float in respect of each property managed and will encourage owners to contribute to provisions or reserves for future repairs and maintenance.

3. Legislation and Compliance

- 3.1 Rosehill will ensure that it conducts its business in a manner that complies with relevant legislation.
- 3.2 Rosehill's Factoring Service will be delivered in accordance with the following legislation:
 - The Title Conditions (Scotland) Act 2003
 - The Tenements Scotland Act 2004 – The Tenement Management Scheme
 - The Housing (Scotland) Act 2006 and 2016
 - The Property Factors (Scotland) Act 2011 – The Code of Conduct (Revised 16th August 2021)
- 3.3 The Scottish Social Housing Charter (the Charter) was approved by resolution of the Scottish Parliament on 14th March 2012 and came into effect from 1st April 2012. The Charter was last reviewed in November 2022.

It contains a total of 16 outcomes and standards that social housing landlords should aim to achieve. Rosehill's staff will work to meet these outcomes and standards.

- 3.4 Other regulatory and legislative framework which is relevant to the provision of the factoring service includes:
 - European Union Directives;
 - The Construction, Design and Management Regulations 1994;
 - Health and Safety at Work, etc. Act 1974;
 - The Control of Asbestos at Work Regulations 2002;
 - Legionella: The Approved Code of Practice;
 - The Occupiers Liability (Scotland) Act 1960;

- Money Laundering and Terrorist Financing (Amendment) Regulations 2019;
- Equalities Act 2010;
- Data Protection Act 2018 (GDPR).

4. Background

4.1 The Property Factors (Scotland) Act 2011 was introduced by the Scottish Government and established the requirement for a Register of Property Factors and a Property Factors Code of Conduct. The Code of Conduct conveys the minimum standard of practice required when providing a factoring service.

A review of the Code of Conduct was carried out and a revised Code came into effect on 16th August 2021. The revised Code of Conduct now includes Overarching Standards of Practice.

Rosehill's operation of the factoring service reflects the Property Factors (Scotland) Act 2011 and the Code of Conduct referred to in section 14 of the Act. Rosehill is a Registered Property Factor - Registration No PF000272.

4.2 Section 2(1) of the Property Factors (Scotland) Act 2011 sets out the definition of a property factor.

Meaning of "property factor" -(1) In this Act, "property factor" means:

(a) a person who, in the course of that person's business, manages the common parts of land owned by two or more other persons and used to any extent for residential purposes,

(b) a local authority or housing association which manages the common parts of land used to any extent for residential purposes and owned:

(i) by two or more other persons, or

(ii) by the local authority or housing association and one or more other person,

(c) a person who, in the course of that person's business, manages or maintains land which is available for use by the owners of any two or more adjoining or neighbouring residential properties (but only where the owners of those properties are required by the terms of the title deeds relating to the properties to pay for the cost of the management or maintenance of that land), and

(d) a local authority or housing association which manages or maintains land which is available for use by:

(i) the owners of any two or more adjoining or neighbouring residential properties, or

(ii) the local authority or housing association and the owners of any one or more such properties,

but only where the owners of those properties are required by the terms of the title deeds relating to the properties to pay for the cost of the management or maintenance of that land.

4.3 Section 10(5) of the Property Factors (Scotland) Act 2011 sets out the definition of a homeowner.

“homeowner” means:

(a) an owner of land used to any extent for residential purposes the common parts of which are managed by a property factor, or

(b) an owner of residential property adjoining or neighbouring land which is—

(i) managed or maintained by a property factor, and

(ii) available for use by the owner.

5. Objectives

The objectives of this policy are to ensure that Rosehill:

5.1 Maintains registration as a Property Factor;

5.2 Maintains an accurate and up to date portfolio list on the Property Factors Register;

5.3 Develop, implement and review a suite of procedures to ensure legal compliance;

5.4 Issues detailed information about charges and payment methods via itemised invoices;

5.5 Has a clear and transparent approach to setting and revising management fees which demonstrates that costs are accurately identified, apportioned and recovered. Annual reviews of operating costs will inform any management fee changes, which will be notified to owners in accordance with their Written Statement of Services;

- 5.6 Account clearly for monies held on behalf of owners including advance payments, floats and separate interest-bearing cyclical maintenance funds where applicable;
- 5.7 Takes appropriate action to recover all monies due and prevent the accumulation of high arrears: this will be carried out in accordance with the Factoring Debt Recovery Procedure;
- 5.8 Provides owners the opportunity to participate in Rosehill's decision making processes in relation to factoring, promote owners' meetings and encourage owners to form owners' associations;
- 5.9 Conducts regular customer satisfaction surveys and appropriate development specific consultations;
- 5.10 Devise and implements action plans in response to consultation findings;
- 5.11 Provides owners with relevant good quality information in accessible formats including Written Statements;
- 5.12 Informs owners about the impact of their feedback on service delivery improvements and
- 5.13 Implement, maintain and use efficient operating systems and digital communication.
- 5.14 To manage our services effectively and efficiently.
- 5.15 To maintain properties to the highest possible standards.
- 5.16 To ensure that the fabric of buildings and common areas are maintained to a high standard.
- 5.17 To ensure that service users receive a value for money service.
- 5.18 To be fully responsive to the needs and views of factored owners and other customers.
- 5.19 To meet all of Rosehill's obligations as factor and to ensure that the rights which owners have under their common factoring agreement or title conditions are adhered to.

6. Implementation

- 6.1 The Management Committee, in its formal approval of the policy, accepts full responsibility for the policy and ensuring its implementation.
- 6.2 Day-to-day responsibility for the operation and monitoring of this policy lies with the Factoring Manager and the Factoring Co-ordinator of Rosehill.
- 6.3 All relevant staff have a responsibility to ensure that the policy is applied as instructed.
- 6.4 The policy will be implemented through:
 - Ensuring appropriate procedures are in place for compliance with the policy
 - Regular review and improvement of procedures
 - Complying with the Code of Conduct and the terms of the Written Statement of Service in accordance with the Property Factors (Scotland) Act 2011
 - Setting targets for debt recovery and customer satisfaction and monitoring our performance against targets
 - Informing staff of policy and procedural requirements, amendments and changes and provide regular staff training on property factoring issues

7. Complaints

- 7.1 Rosehill has a clear written procedure for dealing with complaints, which outlines the steps we will take when a customer is dissatisfied with our policies, the way these are implemented, or the level and quality of service provided.
- 7.2 Rosehill welcomes complaints and positive feedback, both of which provide information which helps us to improve our services. We use a Complaints Handling Procedure (CHP) developed by the Scottish Public Services Ombudsman (SPSO) and the Scottish Housing Regulator.
- 7.3 The CHP allows for most complaints to be resolved by front line staff within a five day limit (first stage) or, if the complaint is complex, a detailed investigation will be made by a manager within a 20 day limit (second stage).
- 7.4 The Complaints Procedure will be provided to all customers at point of purchase or commencement of the factoring service (and no longer than four weeks) and will be included within the factoring owners' welcome pack. (A copy will also be available upon request and on Rosehill website.)
- 7.5 Rosehill will keep a record off all complaints received, including the outcome of the complaint and any improvements to our services implemented as a result.

- 7.6 If owners are dissatisfied with Rosehill's final response to their complaint, and they believe we have failed to carry out our factoring duties, comply with the Code of Conduct or unreasonably delayed attempting to resolve a complaint, they can seek a resolution via the Housing and Property Chamber First Tier Tribunal for Scotland.

Glasgow Tribunals Centre
20 York Street
Glasgow
G2 8GT
0141 302 5900
HPCAdmin@scotcourtribunals.gov.uk

- 7.7 In certain circumstances title deeds may allow for formal arbitration about disputes in relation to the title deeds, and such matters may also be referred to the Lands Tribunal. Rosehill cannot offer legal advice to owners but can signpost them to relevant sources of advice and information including information about any applicable fees.

8. Monitoring and Responsibility

- 8.1 Rosehill will comply with the Property Factors (Scotland) Act 2011 and Scottish Government's guidance on registration as a property factor, the annual maintenance of the properties and land portfolios and the Property Factors Code of Practice.
- 8.2 Rosehill will comply with the Scottish Housing Regulator (SHR) Regulatory Framework for social housing and guidance for monitoring Rosehill's performance in achieving the outcomes and standards in the Charter.
- 8.3 The following areas will be subjected to monitoring on a regular basis:
- Compliance with the policy, through regular review of relevant policies and procedures and strong cross department working relationships;
 - Ensuring staff are appropriately trained, are familiar with duties and requirements imposed by the Code of Conduct and have the knowledge required to provide a high-quality factoring service;
 - The value of work invoiced in period; and
 - The adequacy of insurance cover and risk management, through regular tendering for insurance services and risk assessments carried out on a cyclical basis in accordance with the Risk Management Policy and the Purchasing Procurement and Tenders Policy.

8.4 The following areas will be subjected to monitoring on a regular basis and reported to the Management Committee on a quarterly or annual basis:

- Levels of customer satisfaction through customer feedback, satisfaction surveys and analysis of the complaints procedure;
- Levels of factoring arrears;
- Details of legal action being pursued;
- Benchmarking of average management fees and satisfaction rates with Scottish Housing Regulator published data; and
- Any other applicable key performance indicators.

8.5 Any matter which demonstrates a serious failure in internal controls will be reported immediately to the Director.

8.6 Periodic audits of policy compliance will also be conducted by the Internal Auditor, the outcome of which, will be reported to the Management Committee.

9. Relevant Policies

9.1 The following policies will influence Rosehill delivery of the factoring service:

- Factoring Debt Recovery Policy
- Risk Management Policy
- Purchasing Procurement and Tenders Policy
- Complaints Handling Policy
- GDPR Privacy Policy
- Equality & Diversity Policy
- Financial Regulations Policy
- Neighbourhood Management Policy
- Rechargeable Repairs Policy
- Provision of Reactive Repairs Service Policy
- Asset Management Plan
- Compliance with CDM Regulations

10. Risk Management

10.1 In all key areas of our business we need to consider any risks which may arise. To this end we have in place a robust Risk Management Policy and from this flows our Strategic and Operational Risk Registers. The Strategic Risk Register is monitored by our Management Team and Audit Sub-Committee.

- 10.2 To ensure we continue to manage the associated risks we will periodically review this policy to ensure compliance with all legislative requirements and regulatory and best practice guidance.

11. Equality Screening

- 11.1 Rosehill is committed to equality of opportunity and embracing diversity.
- 11.2 In accordance with Rosehill's Equality & Diversity Policy, this Policy has been consciously considered to judge whether there is any likelihood that its presentation or operation could in any way lead, no matter how inadvertently, to discrimination. The conclusion of this exercise is that it is believed the Policy should operate in a non-discriminatory way.
- 11.3 This Policy can be made available free of charge in a variety of formats including Braille, large print, audio format or translated into a different language.

12. Data Protection

On the 25th May 2018 the legislation governing data protection changed with the introduction of the General Data Protection Regulation (GDPR). Following the UK's exit from the EU, and the end of the transition period which followed, the GDPR formed part of the retained EU law and became the UK GDPR which together with the Data Protection Act 2018 constitute the UK's data protection legislation.

13. Policy Availability

- 12.1 Full copies of our Factoring Policy are available on request at our office or from our website www.rosehillhousing.co.uk

13. Policy Review

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



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A registered society under the Co-operative and Community Benefit Societies Act 2014 No. 2220R(S) and with
The Scottish Housing Regulator (Number HAC174).