Services to Owners Policy

(Ref: PSF/01)

Purpose of Policy:
This Policy outlines how the Association manages its services to owners.

Policy Monitoring Details	
Department	Property Services
Author	Amanda Hay
Status	Association
Date Board Approval	25 November 2020
Update	April 2024
Planned Review Date	April 2027
Regulatory Outcomes Being Achieved	Scottish Social Housing Charter Property Factors (Scotland) Act 2011
Relevance to Association Values	The policy supports the values of the Association
Customer Consultation Required	No
Equalities Impact Assessment	Initial
HRA Implications	None

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1.	**Introduction**	
	1.1	In March1995 Manor Estates bought over 900 homes from Scottish homes and inherited the rights and responsibilities for providing a Factoring Service to 1500 owners.
	1.2	Manor Estates is committed to offering a factoring service to property owners whose properties form part of a mixed tenure block or are located within areas it manages in terms of common ground.
	1.3	Manor Estates is a Registered Property Factor, Registration No PF000157.
	1.4	Manor Estates recognises the benefit of providing an effective factoring service to property owners, which will ensure that properties and communal areas are maintained to encourage good relationships within communities.

	1.5	The operation of Manor Estates' factoring services will comply with the Property Factors (Scotland) Act 2011 and the Code of Conduct for registered property factors referred to in Section 14 of the Act. The Authority to Act is set out in the Written Statement of Services.
	1.6	The factoring service covers common property and common ground areas only. Manor Estates does not provide a repairs service to owners of exclusive property or private land.
	1.7	Manor Estates term a **Factored** property to be a flat which is covered by the Manor Estates block insurance policy and **Admin** properties are generally privately owned houses with shared responsibility for the upkeep of common landscaped estate areas. All flats purchased under the Right to Buy prior to July 1988 are not covered by the block insurance policy, through their titles, and are therefore classed as **Admin** owners for billing purposes.
2.	**Legislation and Good Practice**	
	2.1	The main legislation and legal documentation which relates to this policy is set out in: - • Title Deeds • Title Conditions (Scotland) Act 2003 • Tenements (Scotland) Act 2004 • Property Factors (Scotland) Act 2011 and Code of Conduct for registered property factors
	2.2	The legal conditions are contained under the Authority to Act in the Written Statement of Services. The Title Deeds are the legal basis for Manor Estates to recover the costs of each owner's share of the works to communal areas and for services provided. Attached to the Title Deeds are the Deeds of Conditions which imposes "real" burdens on the owner of the property. These burdens transfer to the new owner after the property is sold. The **Factoring** service for flats is compulsory as participation is included within the Deed of Conditions as a condition of sale.
	2.3	The Property Services Director is the person responsible as defined in the Property Factors (Scotland) Act 2011.
	2.4	Manor Estates will operate within its Financial Regulations Policy in providing services to owners.

	2.5	Advice provided to owners will be impartial and factual and in accordance with the Written Statement of Services issued.
	2.6	The process of selecting contractors and specifying works will be done openly, in line with our Procurement Strategy PS/01.
	2.7	The Property Services team is responsible for collating repair costs, apportioning the charges for completed repairs, issuing invoices, statements and preparing closing statements for re-sales and maintaining owner's accounts. This process is detailed in the owner's accounts raising procedure.
	2.8	The Property Services team is responsible for pursuing outstanding invoices and costs, taking payments, setting up direct debits or standing orders and agreeing payment by arrangement.
	2.9	Manor Estates will actively encourage feedback from owners, using survey techniques, through newsletter, website, and social media, for them to be involved in decisions affecting their home/environment.
3.	**Service Provision and Policy Objectives**	
	3.1	Manor Estates factoring service objectives. • Comply with the Property Factors (Scotland) Act 2011. • Consult with owners regarding work required or being conducted to common parts. • Be transparent in the process of selecting contractors and detailing costs to owners. • Develop and encourage property owners to participate in cyclical works and upgrading works. • Keep owners informed of any delays to progress of work including approximate timescales for completion. • Maximise debt recovery from existing and previous occupants and minimise arrears. • Ensure owners are included in information about relevant issues, policies, procedures from the sector. • Regularly monitor and evaluate all aspects of the factoring service and review policies and procedures as required.
	3.2	In estates where Manor Estates is a minority owner, the majority of owners are, in in line with terms of their title deeds and in the Written Statement of Services, entitled to choose and appoint their own factor. In such circumstances Manor Estates would need to be satisfied that proper arrangements are in place to cover the services provided and would work with the chosen factor to ensure a smooth transition of services. Where another factor is chosen, Manor Estates would not be responsible for future maintenance but would be liable to its share of the cost, subject to satisfactory completion of the work.

	3.3	Manor Estates will continue to provide a factoring service (where it is not the majority landlord) if it has an interest as landlord in that estate or where the majority owners fail to make alternative arrangements.
	3.4	Where Manor Estates no longer owns property within an estate, it will consider ceasing the provision of services unless all owners consent to being part of the Commercial factoring service, operated through Manor Estates Associates Ltd. (MEAL), which will include agreement to pay the full cost of the service provision.
	3.5	The factoring services provided fall into the following categories: - • Factoring or Admin service fee for arranging, supervising, and administering works. • Arranging Block Building Insurance cover (Factored Flats only). • Consulting on and where necessary arranging repairs and maintenance to common parts or communal areas such as stair cleaning, stair & external redecoration, reactive repairs, and planned maintenance works. • Upkeep and maintenance of landscape areas, both private and public landscaping. • Retention of repairs deposit for flatted properties in the Factoring service, are currently set at £50 (or £30 for flats purchased prior to 28 July 1988). • Administer a sinking fund for future major works (selected Flats only refer **Appendix 1** - **Types of Owners and Property Numbers**)
4.	**Types of Account and Charges**	
	4.1	Manor Estates provides factoring services to over 1505 owners which fall into the following categories: - **Factored** Flatted properties legally obliged to participate in the Factoring service receive two invoices of accounts yearly. The factoring, building insurance and where applicable, sinking fund charge will be split across the two invoices. The first account will contain the full public and private landscaping charges from the previous year along with any outstanding repair charges. The second invoice of accounts will only contain any outstanding repairs charges, the remainder of the factoring charge and building insurance. *Invoice: June & November each year.* **Admin** Estates where one or two storied properties in sole ownership receive one invoice yearly for the upkeep of common landscaping, ad hoc repairs and any charges

		since the last invoice was issued. This category can also include single flats in blocks purchased prior to July 1988 which were not issued with full factoring conditions in their title deeds. *Invoice: August each year.*
	4.2	Major works costs, for agreed work programmes, may be immediately billed to owners when works are completed between the billing cycles. These works could include: - • Essential works to communal areas to protect the interests of tenants. • Health & safety issues identified that may affect tenants or owners and cause further deterioration, damage, or destruction of the building. • Where Manor Estates wishes to instigate improvements to properties to comply the Scottish Housing Quality Standard.
	4.3	For any works not considered as essential and amounting to over £50 per owner, Manor Estates will write out to each affected owner to obtain their authority to proceed. Where a majority cannot be obtained, the work would not proceed.
	4.4	For essential maintenance, each owner will be contacted, detailing the essential work required and an indication of their share of the cost.
	4.5	Works affecting Admin owners amounting to over £100 will be subject to an additional 15% charge of the total value to cover increased administration fees.
	4.6	Each charge item relating to planned maintenance will be described on the invoice account and, where required, will be further described with more detailed information contained in a covering letter issued with the invoice.
	4.7	Charges for the **Factoring** and A**dmin** fees will be set annually in January, as part of the annual budget setting process, by the Manor Estates Board. Any increase in charges will take effect from the 1st of April of the new fiscal year.
5.	**Other Services**	
	5.1	Insurance Manor Estates will arrange block building insurance cover for all Factored Owners (this is not provided for Admin owners) The Corporate Services Director will arrange the annual insurance valuation. Insurance certificates will be issued annually to owners detailing the annual premium, the properties insurance re-instatement value and policy schedule. In line with Property Factor Code of Conduct, insurance revaluation of all Factored properties will be undertaken every 5 years.

	5.2	Landscaping & Tree Management Landscaping charges will be collated annually and charged in arrears to the first Factoring invoice and Admin Invoice of each financial period. Tree management work will be undertaken in accordance with Manor Estates Tree Management Policy PS/23.
	5.3	Newsletters Manor Estates will strive to issue two newsletters per year to engage with owners regarding issues within their environment and providing relevant information and legislative changes.
6.	**Property Sales**	
	6.1	Manor Estates will actively encourage owners (or the Owners legal representative) to notify the Association when they sell their home. This will include: - • Contacting the selling agents to advise Manor Estates are the current factor. Contact the purchaser's agents to advise Manor Estates are the current factor. Apportionment of the account between the seller and purchaser. • Applying a re-sale administration charge to the account of the selling owner. Issuing a new owner information pack including an introductory letter, apportioned account, Written Statement of Service and current newsletter. Recovery of any sums due from seller where we have forwarding addresses. In addition, Manor Estates will review local house signboards and estate agency / house sale publications to determine properties for sale.
7.	**Debt Recovery/Management**	
	7.1	Manor Estates will recover any debts owed by owners for the services provided. The debt management process is clearly detailed in the Written Statement of Services issued to all owners and includes the following: - • Account issued twice yearly to Factored, annually to Admin owners detailing their account number, charges in the billing period, carry forward balance, statement of account and ways to pay within 28 days of the account issued. • Manor Estates will issue a first reminder letter after 28 days of account issue. • Manor Estates will issue a second reminder letter 56 days after account issue and apply a charge of £20 onto the unpaid account to cover additional administration costs. • Manor Estates will issue a third and final reminder letter 84 days after the account issue and apply a further £50 charge to the account. • The third reminder letter will give 7 days to pay the account before referral for debt collection.

		• Manor Estates will work with a debt recovery agent to manage and recover the aged debt, utilising court services as necessary. • Manor Estates will use NOPL (Notices of Potential Liability) on the property to secure the debt to ensure the property cannot be sold until debt is recovered. • The debt management process is managed through the Associations Housing and Asset Database. The legal and management fees of the debt recovery agent, including court costs, will be recharged to the owner.
8.	**Monitoring, Performance, Measurement & Reporting**	
	8.1	The following indicators will be reported through monthly reports to the senior management team: • **Monthly** Debt summary including caseload Progress with long term outstanding debts on factored and Admin • **Quarterly** Status of accounts Progress with re-sales Complaints processed - • **Annually** Number of re-sales processed in the fiscal year Results of any satisfaction surveys
	8.2	The following will be reported to the Board: • **Quarterly** Complaint process • **Annually** Owner write-off balances (non-recoverable debt). Annual Report including Compliance with Property Factors Register Registration to Property Factors Register • **Annually but surveyed every 3 years** Results of Scottish Housing Regulator Annual Return on Charter section 28 – Average Management Fee per Factored Property and section 29 Percentage of factored owners satisfied with the factoring service
9.	**Complaints**	
	9.1	Manor Estates will deal with any complaints through the Complaints Policy G/03. These are reported to the Board on a quarterly basis.
	9.2	Complaints not resolved by the complaints policy, and which may be in relation to a failure of a duty referred to in the Property Factors (Scotland) Act 2011 and the Code of Conduct for registered property factors, can be referred to the Housing and Property Chamber First Tier Tribunal by the property owner.

		Should a property owner wish to approach the Housing and Property Chamber First Tier Tribunal they must have firstly progressed the issue through the Associations own complaints policy and have informed the Association of the areas of the Property Factors (Scotland) Act 2011 and the areas of the Code of Conduct for Property Factors where the Association have failed and to have allowed the Association time to submit a response.
10	**Policy Review**	
	10.1	This policy will be reviewed periodically to take into account:- • Changes to the Property Factors (Scotland) Act 2011 and updates to the Code of Conduct for registered property factors • Additional requirements imposed on registered property factors through legislation. • Changes to rules, regulations, and good practice guidance. • Recommendations or learning from complaints and outcomes of First Tier Tribunal cases.
11	**Related Policies and Procedures**	
	11.1	Policies*:* PS/01 Procurement Strategy PS/23 Tree Management Policy TF/11 Written Statement of Services G/03 Complaints Policy

Appendix 1 - **Types of Owners and Property Numbers**

Factored	432	Historical relationship Title conditions give way to charge	Written Statement of Services	Billed twice per year. (June and November)
Factored Niddrie Hays	6	Private owned block Title conditions give way to charge	Written Statement of Services	Sinking fund and billed twice per year. (June and November)
Admin	1067	Historical relationship Title conditions give way to charge.	Written Statement of Services	Billed once per year. (August)
Currently Do Not Factor	276	Historical relationship Title conditions do not give way to charge.	Lettering and cooperation	Generally, no billing required