



"Offering our community more than a home"

Factoring Policy

Management Committee submission:

Last Approved: 29 November 2022

Date Approved: 3 February 2026

Next Review date: February 2029

CHA Objectives:

- To manage the houses provided, in a professional and cost-effective manner, for the benefit of our local community and the environment.
- To provide a first-class maintenance service which offers value for money and ensures the comfort and safety of our residents while achieving high levels of satisfaction
- To ensure local decision making and community control, we will encourage our tenants and other customers to influence our policy and participate in decisions which may affect them.
- To ensure that our resources are adequate to deliver our objectives by investing in our people, increasing digitalisation, demonstrating value for money and through robust procurement practices.
- To promote social inclusion by applying principles of equality and diversity to everything we do.

Regulatory Standards:

- The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
- 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 objectives.
- The governing body bases its decision on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
- The governing body and senior officers have the skills and knowledge they need to be effective.
- The RSL conducts its affairs with honesty and integrity.

This Policy can be made available on request in a variety of different formats, such as on tape, in large print and translated into other languages.

1. Introduction

This policy has been devised to show how Clydebank Housing Association Ltd (referred to as “Clydebank HA”) operates its factoring services.

Clydebank HA will only provide factoring services where it has an interest (e.g., where it owns properties within the block/estate).

2. Scope

The aim of the factoring service is to ensure that commonly owned parts are both satisfactorily maintained and adequately insured (where applicable) and that the full costs involved are recovered.

The factoring service covers the following activities: -

- Provision of Written Statements
- Carrying out repairs and maintenance to common areas
- Carrying out major works including replacements and improvements, if authorised to do so by the majority of owners
- Management of services
- Arranging adequate buildings insurance cover (where applicable)
- Consultation with owners and arranging owners’ meetings when necessary
- Provision of advice and information
- Issuing of factoring invoices
- Debt collection and arrears management

3. Principles

The following principles govern the effective operation of this policy:

- Clydebank HA’s advice to owners will be impartial and factual, in relation to both works required and actions necessary for compliance with title deeds.
- Clydebank HA will encourage owners to take an active part in decisions about property management and will actively promote owners’ meetings and focus groups.
- Clydebank HA will account clearly for monies held on behalf of owners. We shall require a float in respect of each property within the full factoring service.
- Clydebank HA’s processes for selecting contractors and specifying works to be done will be fair, open and accountable. Procurement will be in accordance with Clydebank HA’s Procurement Policy.
- If the majority of owners have approved proceeding with high-cost works (e.g. major repairs such as re-roofing), Clydebank HA will require full advance payment from owners before instructing the works. The only exception to this will be where such works are either required in an emergency on grounds of health or safety or where there would be a high

risk of severe deterioration of the fabric of the building if the works did not proceed. In these circumstances, work can proceed even if full advance payment has not been received by seeking approval of the Chief Executive. Costs will then be recovered in the usual way. As a protection to Clydebank HA, a Notice of Potential Liability for Costs will be registered against the titles of any owner in the block who has not made full advance payment.

- Clydebank HA will take 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.
- The title deeds will provide the parameters within which the scope and terms of Clydebank HA's appointment as factor will be established. If the title deeds are silent on such matters, our appointment will be established in accordance with the Tenements (Scotland) Act 2004.

4. Policy Objectives

Our policy objectives are to ensure that we:

- are registered with the Scottish Government as a Property Factor
- comply with the Code of Conduct (Property Factors (Scotland) Act 2011)
- comply with all other relevant legislation and apply good practice in all our activities
- provide a high-quality factoring service, communicating and liaising closely with homeowners
- are accountable and open when resolving disputes with owners
- have adequate IT systems in place to ensure that records are accurate and charges are apportioned correctly
- have robust accounting practices and are able to demonstrate that our Management Fee is sufficient to cover our costs of providing the service
- maximise the recovery of monies owed by owners and minimise arrears and bad debts
- have sufficiently skilled and trained staff to enable us to deliver the factoring service

5. Implementation

All relevant staff have a responsibility to ensure that the policy is implemented as instructed. The policy will be implemented by:

- ensuring that appropriate procedures are in place for compliance with the policy

- complying with the Code of Conduct and the terms of the Written Statements
- regularly reviewing and improving our procedures
- setting targets for debt recovery and customer satisfaction and monitoring our performance against target

6. Regulatory and Legislative Framework

Title Deeds/Deeds of Conditions are legally enforceable sets of rights and obligations, for both the homeowner and the appointed factor. Clydebank HA will ensure compliance with the terms of the Titles/Deeds in providing the factoring service.

Clydebank HA's factoring service will be delivered in accordance with the following legislation:

- The Title Conditions (Scotland) Act 2003
- Tenements (Scotland) Act 2004
- Property Factors (Scotland) Act 2011
- The Data Protection Act 2018 (GDPR)
- The Equality Act 2010
- Procurement Reform (Scotland) Act 2014
- Public Contracts (Scotland) Regulations 2015
- Procurement (Scotland) Regulations 2016

7. Monitoring, Performance & Reporting

The following areas will be monitored on a regular basis: -

- Compliance with policy, through regular review of procedures and close working relationships between the relevant departments.
- Levels of factoring arrears and the annual debt recovery rate achieved.
- Levels of customer satisfaction through feedback from satisfaction surveys, to be done at least every 3 years, and analysis of the complaints and compliments registers.
- Ensuring staff are appropriately trained and have the knowledge required to provide a high-quality factoring service.
- The adequacy of insurance cover and risk management, through periodic re-instatement valuations of stock, regular tendering for insurance services and through risk assessments carried out on a cyclical basis in accordance with the Risk Management Strategy.

The following indicators will be reported to the Scottish Housing Regulator in the Annual Return on the Charter (ARC): -

- Indicator 24: Average annual management fee per factored property
- Indicator 25: Percentage of factored owners satisfied with the factoring service

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

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

8. Policy Framework

The following policies will also influence Clydebank HA's delivery of the factoring service: -

- Repairs and Maintenance Policy
- Procurement Policy
- Asset Management Strategy
- Value for Money Strategy
- Estate Management Policy
- Data Protection/Management of Information Policy
- Equality and Diversity Policy
- Customer Care Policy
- Openness and Confidentiality Policy

9. Written Statement of Services

Clydebank HA's Written Statement of Services sets out the terms and service delivery standards of the arrangement in place between us. We will provide a Written Statement of Service for every current owner, and

- to new owners, within four weeks of Clydebank HA agreeing in writing to provide the factoring service to them.
- to any new owner, within four weeks of Clydebank HA being made aware of a change in ownership, where we already provide the factoring service. However, Clydebank HA will aim to provide the Written Statement of Services to any prospective new owner prior to their purchase where possible.
- to all affected owners, within three months of any substantial changes being made to the Written Statement of Services.

The Written Statement of Services will include information on the following key areas of the factoring service: -

- An explanation of our Authority to Act as Factor
- Details of the core services provided
- Our delegated authority for carrying out works
- The process for proceeding with works not included in the core services
- Financial and charging arrangements

- Buildings Insurance requirements
- Communications and complaints
- Our declaration of interest
- Details of how the factoring arrangement can be ended
- Reporting common repairs, including response times
- Notification that information is published on the Property Factors Register
- Compliance with factoring legislation, including our requirement to provide information to the Scottish Government for publication on the Property Factors Register
- GDPR information and Fair Processing Notice for owners
- Each owners' percentage share of the cost of common works and services
- Details of the common buildings insurance policy (full factoring service only)

10. Management Fee

Clydebank HA will charge an annual Management Fee which is calculated in order to cover: -

- Staff costs for the delivery of the factoring service
- Element of office overhead costs
- Administration costs

For owners in the full factoring service (those included in our block buildings insurance), a fixed fee is charged and is invoiced bi-annually in advance, as follows: -

- 1st June to 30th November – invoiced in June
- 1st December to 31st May – invoiced in December

For all other owners, the Management Fee represents 15% of the invoice total, with a minimum charge of £3.00 and a maximum charge of £35.00. If no repairs or services have been carried out within the billing period, then no Management Fee will be chargeable.

The Management Fee is reviewed annually, taking account of costs incurred in the previous year and projected costs for the coming year. Owners will be advised of any change to the Management Fee annually, no later than 28th February.

11. Charges

Clydebank HA will invoice owners bi-annually, in June and December. The only exception to this is where an owner purchases or sells outwith the normal billing period.

Invoiced in June

- Common repairs and maintenance completed since the last invoice issued
- Communal electricity costs since the last invoice issued (if applicable)
- Communal window cleaning for the period 1st April to 31st March (if applicable)
- Caretakers' costs since the last invoice issued (if applicable)

- Buildings insurance for the period 1st April to 31st March (if applicable)
- Management Fee

Invoiced in December

- Common repairs and maintenance completed since the last invoice issued
- Communal electricity costs since the last invoice issued (if applicable)
- Caretakers' costs since the last invoice issued (if applicable)
- Open space maintenance/landscaping costs (full year)
- Management Fee

Other charges include: -

- Factors Deposit (full factoring service only)
- End of Occupancy Fee
- Legal Fees (as outlined in our Factoring Debt Recovery Procedure)

12. Buildings Insurance

For properties within the full factoring service, Clydebank HA is responsible for effecting and keeping in force the buildings insurance for the block. As part of the Written Statement of Services, Clydebank HA will provide such owners with details of the buildings insurance, to include: -

- Calculation of the premium
- Details of the Insurers
- Sum insured
- Premium payable
- Details of the policy excesses

Any changes to the buildings insurance will be communicated to owners on an annual basis.

13. Responsibility for Delivering the Factoring Service

For the purposes of Clydebank HA's registration as a property factor under the Property Factors (Scotland) Act 2011, Clydebank HA's Chief Executive, as the most senior person within the management structure, is the "responsible person".

Delivery of the factoring service falls within the remit of the Maintenance Section (within Housing Services) and the Finance & Corporate Services Section.

The Factoring Team is responsible for compliance with policy and procedure, for delivering the factoring service to customers and for achieving the highest possible customer service. The Factoring Team is comprised of members of both the Maintenance and the Finance & Corporate Services Sections and currently consists of: -

- Finance & Corporate Services Manager
- Housing Services Manager
- Maintenance Officer

- Maintenance Assistant
- Finance Assistant

14. Complaints

Clydebank HA 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. The Complaints Handling Procedure will be provided to all new owners at the time of issuing their Written Statement of Services. Further copies will be provided at any time, upon request.

We will keep a record of all complaints received, including the outcome of the complaint and any improvements to our services implemented as a result.

Owners who remain dissatisfied following the outcome of their complaint or dissatisfied with how their complaint was handled, may make an appeal to the First-tier Tribunal for Scotland (Housing and Property Chamber).

15. Equality and Human Rights

In application of this policy, we will not discriminate on the grounds of race, sex, disability, age, gender reassignment, marriage & civil partnership, pregnancy & maternity, religion or belief and sexual orientation.

16. Policy Availability

This Policy is available on Clydebank HA's website www.clydebank-ha.org.uk.

Copies are available on request.

This Policy can be made available in other formats if required.

For Office Use Only – Actions

Customer Consultation Required/Arranged	No
Intranet Update	Yes
F Drive Update	Yes
Website Update	Yes
Leaflet change required?	No
Newsletter Promotion?	Yes
Other information updated, e.g. posters, automatic email responses, post cards, answering machine messages, etc.	No
Equality Impact Assessment completed	Yes
Policy Declarations signed by staff	N/A