

Factoring Services

for owners & sharing owners



How do I find out about my legal rights and obligations as an owner?

The legal documents which define the rules relating to the shared obligations and conditions which apply to each property are the Title Deeds, Deed of Conditions and the Disposition. They outline the owner's shared responsibilities for the upkeep, management and maintenance of the common elements that belong to the property. The Title Deed also describes the management area, which is the area in which all the individual properties within the Title Deeds are situated. (Note: the area may extend well beyond the boundary of your property to include all open spaces within the management area). Even if you live in a house rather than a tenement you may still have a responsibility for common maintenance within the management area. Specific rights to your individual property will be detailed in the disposition. See page 7 for a further explanation of legal terms.

If you do not have a copy of your legal documents, please contact your solicitor to obtain them.

These documents also determine who is the Factor and what their responsibilities are in relation to common maintenance, billing and holding meetings, etc. Thenue is the Factor of your property and is therefore responsible for issuing instructions to contactors to carry out common maintenance and repairs and for

collecting each owner's share of the costs of this work.

You could seek independent legal advice to establish exactly what your rights and responsibilities are in relation to these matters.

What factoring charges can I expect to be billed for each year?

Rechargeable Common Repairs: This is your share of all works by our contractors to common parts of your building or surrounding area, which have been invoiced and paid by us.

Common repairs are necessary repairs to maintain the fabric of the building and surrounding walls and paths etc. Attending to these repairs will help to keep the building wind and watertight and maintain the value of your home.

Your Deed of Conditions will make clear that all owners in a block, including Thenue, bear a share of repair and maintenance costs.

Unfortunately, in addition to repairs due to normal wear and tear, repairs can also be due to misuse and vandalism. Where we cannot identify those responsible for the vandalism/misuse we have to share that cost amongst all owners and tenants. We attempt to keep these costs as low as possible by recharging individuals where possible or making insurance claims where

the cost is above the policy excess for each individual claim. In order to make a successful insurance claim for vandalism, each incident must be reported to the Police. We will require to obtain a crime report number from Strathclyde Police to enable an insurance claim to be made.

Works orders for common repairs are issued by us following requests from an owner or a tenant or as a result of a regular inspection by a Thenue officer. Where necessary these will be pre-inspected by our Maintenance Officer. All repairs are post inspected to ensure that owners and Thenue obtain quality and value in works instructed.

Recurring Service Charges: May include:

Glasgow City Council Stair Lighting Charges - these cover replacement of bulbs and general maintenance of the lighting to your common close by the City Council.

Scottish Power Charges - these cover bills relating to electricity supply to the common close.

Stair Cleaning - where owners have agreed, us providing a stair cleaning service.

Back Court Cleaning - We provide a service for all properties with a common back court. The bin shelter and paths are swept regularly with occasional power

washing of bin shelters. We also remove bulk items from backcourt for kerb collection.

Landscape Maintenance: We will bill you for the costs incurred by Thenue for maintaining certain spaces within the curtilage of your building such as the backcourt (but not including any private gardens).

We will also bill all owners for landscape maintenance works which were carried out to the open spaces where the management area extends beyond the boundary of their property, eg. the properties within the former Scottish Homes owned housing and landscaped areas.

The contract is set up to achieve both quality and value. In other words we will not necessarily accept the lowest tender if we feel that owners and tenants will not be satisfied with the quality of the maintenance.

We employ a Landscape Clerk of Works to regularly monitor the performance of the contractor on site.

Cyclical Maintenance: Thenue may also instruct other cyclical maintenance works such as gutter cleaning and close painting to maintain the fabric of the common parts of the building.

In the case of close painting, you will be consulted on a preferred colour scheme and the majority preference will be adopted. This includes your flat door which can be painted as part of the works, if you wish.

When the tenders have been obtained and checked and a programme agreed with the contractor, we will advise you of the cost and when the work will proceed.

Your share of the final account will be charged on the next issued factoring bill after payment by us. Please note, you will be given an opportunity to repay this bill monthly by Direct Debit (it can be added to any existing Direct Debit monthly payment).

Major Repairs: These involve the renewal of components of the common property which have reached, or are approaching, the end of their useful lives. The purpose of such renewals is to obtain the advantages of doing the work over a number of properties at the same time which generally results in cheaper costs per unit than doing the work on individual properties or on a reactive basis. More importantly for the integrity of the building, the replacement will happen before failure, thereby avoiding the inconvenience and possible damage or danger resulting from failure.

In cases where the cost of this work is likely to be quite high, there will be consultation

on the need for the project and the majority decision on proceedings will be adopted. If there are choices of alternative specifications, you will be consulted on your preference, again with the majority preference being adopted.

Following receipt and checking of tenders and appointment of a suitable contractor, we will advise you of your share of the tendered costs, the programme and any arrangements for access which will be required.

Your share of the final account will be charged on the next issued factoring bill after payment of this account by us. Please note, you will be given an opportunity to repay this bill monthly by Direct Debit (it can be added to any existing DD monthly payment).

Buildings Insurance: Where we provide building insurance under our block insurance policy we will bill you annually in advance. If you have your own insurance and your property is part of a tenement block please send a copy of this to us to enable us to consider whether your cover is adequate. If an insurance claim has to be made for common repair works it is more straightforward for us and the owners if we all deal with one Insurance Company. (Note: each owner is responsible for insurance cover for his or her household contents).

Owners who do not pay the Insurance invoice within 28 days may have their property removed from the policy.

Factoring Administration Fee/Factoring Fee: We will also bill you for our administration and management costs of providing a factoring service. A proportion of each bill we issue to you will include a Management/Administration Fee.

This is your share of our costs in providing a factoring service to all owners. This is detailed on your invoice as a Management Fee (Tenement Owners) or an Administration Fee (other owners). We set Management and Administration Fees annually.

Current Charges (2010/11) are:

- Factoring Fee: £123.76 (plus VAT)
- Administration Charge: 20% of costs recharged (a maximum which shall be no more than the management fee, and a minimum charge of £10).

This charge covers costs including for example: account processing, instructing repairs, invoicing, debt recovery, correspondence with owners, management of contracts and postage and stationery.

Reduced charges for owners paying by regular payment scheme

As an incentive to owners participating in the Regular Payment Scheme, a deduction of 10% is applied to the annual management (factoring) charge. For owners in non-tenemental property who pay an administration charge and also agree to participate in the scheme, an equivalent deduction on their fee is available. This deduction applies to the Factoring Fee or Administration Charge only; it does not apply to charges where we are billed for actual common works. The maximum annual deduction for owners paying an Administration Charge will be 10% of the Management Fee. Owners with arrears who do not include an agreed contribution to outstanding arrears will not receive a 10% deduction in their factoring charge.

The deduction will be applied twice yearly as a credit on owner's accounts that have maintained an agreement for the year.

New factoring arrangements for instructing common works

We have recently agreed new arrangements for proceeding with common works. After consultation with our Owners' Forum, our Management Committee agreed to raise the threshold at which we are required to consult with individual owners before proceeding with works to £450.

This threshold had originally been set at £250 in the early 1980s. This would equate to around £580 in today's value as a result of year on year inflation.

This change will reflect the significant difference in the cost of a close painting contract now, compared to back in the 1980s. It will also enable works to proceed much more efficiently.

Our new procedure is set out below.

When does Thenue consult with owners prior to instructing common works?

Common works estimated to cost less than £450.00 per repair

These works will be instructed without consultation with owners.

Common works estimated to cost over £450.00 per repair

We will normally consult with owners where common works are estimated to be above £450.00. This will involve advising each owner in writing of the cost of the proposed works.

Where we are not the majority owner in the block and the owner's share is estimated to be over £450.00

We will hold a block meeting to seek approval for the works to proceed. The decision whether to proceed will be put to the vote and a majority decision will prevail. Where properties have transferred

in Holmbyre, Castlemilk, Owners will be consulted as per Title Deeds.

Emergency/Urgent Repairs

In certain circumstances, we may instruct works without consultation with the owner. For example, where a situation is considered dangerous or seriously detrimental to the safety of persons or to the common property and requires urgent attention. Where appropriate, an initial repair to make safe rather than replace may be instructed.

How can I pay my bill?

We offer a number of different methods of payment of factoring bills/accounts.

We accept the following payment methods:

- Payment by cheque (made payable to Thenue Housing Association Ltd with your customer reference number on the back of the cheque) by post to 423 London Road, Glasgow, G40 1AG.
- Payment by 'owner's swipe payment card' at any Post Office or Pay Point/ Pay Zone outlet (certain shops and garages) during their opening hours. These payments will be notified to us within 24 hours.

- Payment by Chip & Pin Debit Card at our office.
- Regular Payment Scheme for Owners: Owners have the option of paying by monthly instalments by Direct Debit. This "Regular Payment Scheme" will benefit the owner by allowing the cost of recharges (including any arrears outstanding) to be spread over the year in affordable monthly payments. We recognise that many owners do not budget for factoring bills and consequently find it difficult to make the necessary payments towards their 6 monthly bills.

Owners who participate in the scheme will receive two 6-monthly statements detailing payments and charges against their account. The monthly payment will be calculated based on previous and known charges for the forthcoming year (together with an agreed amount to clear any outstanding balance). It will be reviewed annually up or down, depending on actual costs incurred and any expected increases in charges.

What should I do if I have an outstanding bill?

You should contact Nicola Rankine, Factoring Officer, to agree an affordable repayment arrangement to reduce your

debt over time. Failure to agree to repay a Factoring debt can lead to the debt being passed to a Debt Recovery Agency.

If we pass your debt over to an agency to collect on our behalf, you should note that this can affect your future credit rating.

Failure to reach an agreement to pay a Factoring debt will ultimately lead to us instigating legal action at the Sheriff Court for payment of the outstanding debt. Where an owner remains unwilling to settle the outstanding debt, we may serve a "Letter of Inhibition" on the indebted owner. This will prevent the owner from selling a property until the debt is paid in full.

Alternatively, we may serve a "Notice for Potential Liability of Costs" on the property of an indebted owner. This ensures that every potential purchaser of that property will be aware of the outstanding debt, thereby making a successful sale unlikely until the debt is paid in full.

Owners should note that failure to pay the Block Insurance element of their bill will result in us cancelling the Buildings Insurance cover for that property. Failure to maintain Buildings Insurance cover for your own property will breach the agreement with your mortgage lender, and breach the Deed of Conditions.

How do I query a bill or make a general enquiry about Thenue's Factoring Service?

Matters relating to the management of owner occupied housing within your area will be dealt with by the Factoring Officer, Nicola Rankine.

Please note our staff may not be able to answer your query immediately but you will be advised when and from whom you will receive an answer.

Where we receive a written enquiry about our factoring service we will acknowledge your letter within 5 working days, and if we are unable to provide an immediate answer we will respond in writing, in full, within 10 days.

How do I make a complaint?

If you have an informal complaint about our service you should contact our Factoring Officer in the first instance. If you are not satisfied with her response you can contact John Russell, our Head of Finance. Please also note that you can also use our Formal Complaint procedure at any time. A leaflet explaining this procedure is available from our office.

How can I become involved in a Thenue Owners' Forum?

We are keen to involve owners in the delivery of our Factoring Service. If you would be interested in serving on our Owners' Forum please contact Nicola Rankine, Factoring Officer at 423 London Road. This Forum will review, with our staff, our policies, procedures and services in relation to Factoring.

What happens if I sell or buy the property during a financial year?

If you are selling your property you should advise our Factoring Officer at least one month prior to the date of sale. We will prepare a final factoring bill for you.

If you have bought the property we will, where notified of the sale, make contact with you to advise you about us as your Factor and confirm your responsibilities in relation to common charges, etc.

Bills which are normally charged on an annual basis are calculated on a pro rata basis, ie. the total bill is divided by the number of days in the year you were/have been in ownership.

All common repairs are charged to the specific owner at the date the repair was instructed.

Sharing Owners

Most of our sharing owners also receive a factoring service from us. Much of the information in this leaflet will also apply to sharing owners.

Privately rented flats

Where an owner decides to lease their property, the Factoring Officer must be advised of the billing address for the owner and the name and contact details of the managing agents.

Factoring Float

Where an owner takes on a Factoring Service from us, then a £100 factoring float is payable on the date that they own the property. The balance of this float will be repaid at the sale of the property.

UNDERSTANDING THE LEGAL JARGON

Management Area

The whole area managed by the factor, including all properties, plots, roads, pavements, parking areas and open spaces not adopted by the local authority. Management areas can extend to several areas which may mean that all owners are liable to pay a contribution to the cost of repairing and maintaining shared ground which could be several streets away.

Deed of Conditions

The document drawn up by us prior to the sale of individual plots within the feuing area. It details the shared obligations and conditions which apply to each plot. It also describes the Feuing Area.

Disposition

The document which transfers ownership and is granted by the Factor in favour of the first purchaser of a property. It includes a description of the individual property and any specific rights and conditions and refers to the Deed of Conditions for further details of your responsibilities.

UNDERSTANDING THE LEGAL JARGON

Schedule to the Disposition

The additional section attached to the Disposition which details conditions specific to that property. If you own a flat and the factoring conditions apply, these will be included in this section.

Factor

The Factor is the person or body (Thenue Housing Association) who can exercise the powers conferred by the Schedule to the Disposition, or any other powers conferred by a majority of owners in the block or area being factored. The factor is often referred to as a "Property Manager".

Shared Charges

(Common Charges) are those resulting from the maintenance of repair or the management of land or buildings for which there is a community responsibility. It can include the administration costs associated with instructing any work or recovering any shared or common charge.

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We are committed to ensuring access to information for everyone. If you need this information translated in another language, Braille, audio or large print version, please tell us.

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