

factoring matters

Our Newsletter For Owners www.thenuehousing.co.uk www.thenuecommunity.org.uk

SATISFACTION WITH FACTORING SERVICE INCREASES BY 16%



Welcome to the latest edition of our factoring matters newsletter, including articles of interest to owner occupiers who make use of our factoring service.

We carried out an 'Owners' Satisfaction Survey' during 2018 and we would like to thank all participants. These surveys are extremely useful to us in identifying any common concerns and issues amongst our factored owners.

Knowing what matters to you helps inform how we deliver our factoring service.

We were pleased to note that overall satisfaction levels with the factoring service have increased by 16 per cent since our last survey in 2015.

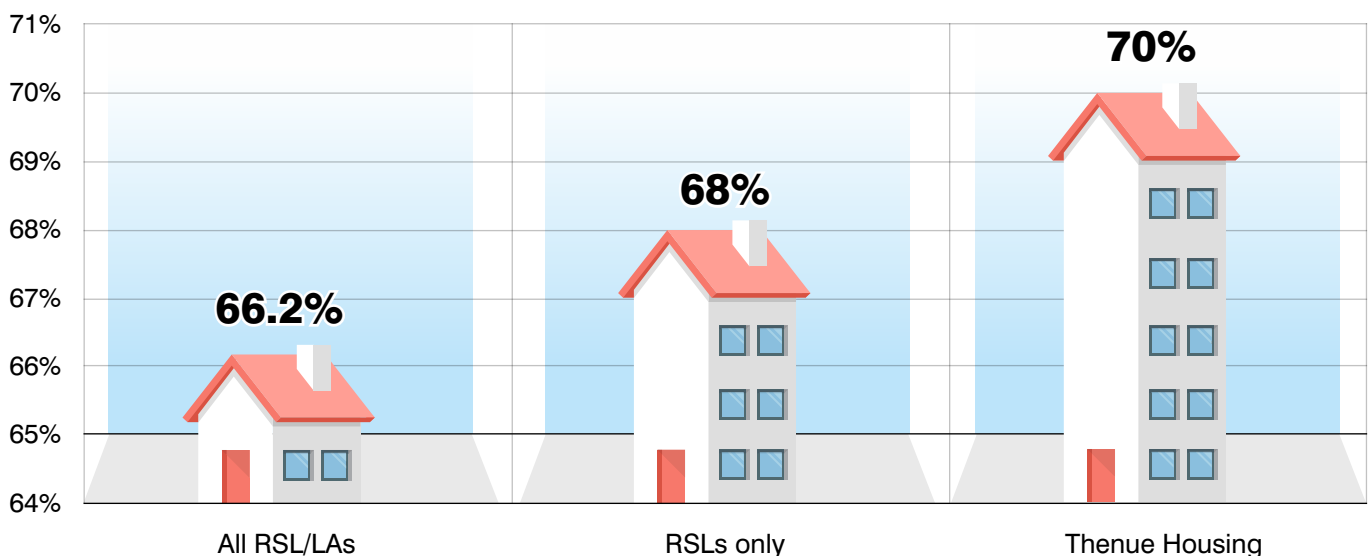
While this is a huge improvement on our previous survey, we acknowledge that there are still improvements to be made and we are constantly striving to achieve this.

It was clear from the survey responses that a high proportion of owners read our general quarterly newsletter, however, there was an appetite for a newsletter dedicated to our owners.

We hope that this newsletter is a positive response to the survey, as it also gives us the opportunity to address some of the common concerns and misconceptions which came to light in some of the respondent's comments.

As always we welcome your feedback. If you have any queries or comments regarding the content of this newsletter, please contact your factoring officer on 0141 550 9534 or at owners@thenuehousing.co.uk.

Overall % Satisfaction with Factoring Service



(Based on 2017/18 Submissions to the Scottish Housing Regulator) RSL means Registered Social Landlord and LAs means Local Authorities

FACTORS

WHAT DO WE DO?

Owners can often have a negative view of property factors, viewing them as an unnecessary expense.

In most cases your Title Deeds will stipulate that you are required to have a factor in place to manage the common areas. As well as a legal obligation, there are many benefits to having a factor in place, and we are keen to clarify the service we deliver:

What does a Factor do?

A Factor is a property manager who has been appointed to manage the common (shared) areas in a close, building or development. The Factor will co-ordinate the upkeep of the common areas and arrange for any maintenance, repairs and improvements to be carried out. The Factor may also arrange buildings insurance for the common areas and the individual flats within a development. It is not the responsibility of the Factor to pay for these services, it arranges for the work to be completed to a satisfactory level and recharges each owner for their share of the costs.

What are the Common Areas?

Common areas of flatted blocks include the roof, chimneys, outside walls, gutters and downpipes, the common close, close entry doors and close lighting. Common areas for houses usually include landscaped areas and occasionally car parking bays, fencing and railings. Repairs to these areas would be extremely difficult for individual owners to co-ordinate and would rely on one owner instructing the repair and trying to recover the costs from the other owners. If minor repairs, such as damaged roof tiles, were left unattended, these would quickly escalate causing significant damage to the building and the individual flats within it.

Why have a Factor?

The role of the factor is to instruct necessary repairs and maintenance and recharge those costs, along with associated fees, to owner occupiers. As a result, properties that are factored are generally maintained to a higher standard than properties where there is no management service in place. Common areas could be neglected by owners who may be unaware of their responsibilities to maintain the common parts that are attached to their property. This can lead to properties falling into a state of disrepair and can cause damage to the building and individual flats which in turn can affect their value. There are also benefits to having the whole building insured under one buildings insurance policy, which is often a requirement within the Deeds for flatted properties.

Why Thenu Housing?

We are a registered social landlord and registered property factor with experience and knowledge of your specific area. In the majority of cases, we will own a high percentage of properties within your development or block and will have had a long history of managing the common areas prior to 'Right to Buy' coming into place and properties being bought privately. Our robust procurement process ensures that all of the contractors we use provide high quality work at competitive prices, are fully insured and comply with current legislation. We operate with a view to covering the costs of providing the factoring service. We do not charge a mark-up on the cost of works that are completed on behalf of owners or receive commission on the buildings insurance we arrange. Our priority is to provide a high quality of service, ensuring value for money at all times.

VALUE FOR MONEY

WHY IT MATTERS

Many of our survey questions focused on perceived value for money when considering our services. One of the most negative responses was in relation to the management/administration fee with only a slight majority (55%) providing a positive response.

Owners who live within a flat currently pay a set management fee which is split equally over the four quarterly invoices. House owners, who receive a lesser service, pay an administration fee which is charged at 20% of all charges raised and a minimum of £5 plus VAT per quarter.

It is necessary to charge a management/administration fee to ensure that the costs of providing the factoring service are recovered, as it is a stipulation by the Scottish Housing Regulator that rents received from tenants cannot subsidise the factoring costs. Services included within our fees include the following :

- Providing a regular point of contact for owners to raise any issues or queries relating

to their property, factoring charges or any other relevant issue.

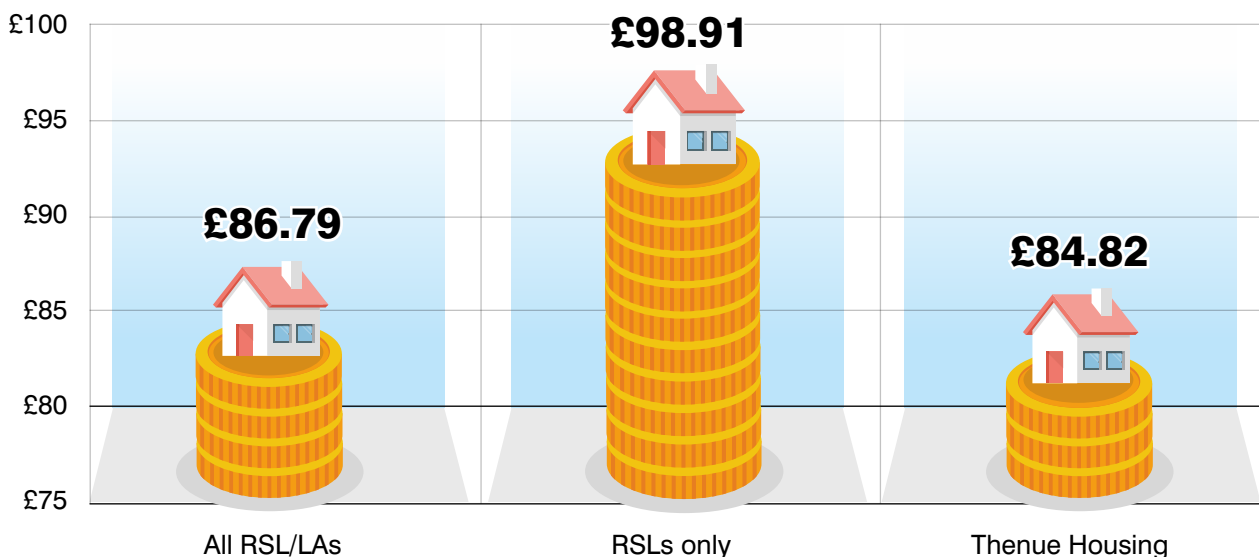
- Providing a common repairs service including the awarding of contracts and inspections where appropriate.
- Awarding all contracts and monitoring these contracts on an ongoing basis
- Accessing available grants and funding which may benefit owners for larger projects.
- Liaising with contractors on behalf of owners in relation to communal works.
- Working with an insurance broker to achieve the best possible rates for insured owners.
- Providing credit control to ensure that everyone is invoiced for their respective share of costs.
- Issuing of quarterly invoices, letters, newsletters and annual insurance documents (where applicable).



- Issuing reminder letters where necessary and enforcing our debt recovery procedure to recover unpaid invoices.
- Working together with solicitors to recover outstanding debts on behalf of the owners within the block.

It is worth noting that our average management fee is lower than that charged by other Registered Social Landlords and Local Authorities and significantly lower when considering registered social landlords only.

Average Management Fee



AWARDING CONTRACTS HOW DO WE DO IT?

Several survey responses indicated that owners would like to see three quotations for contracts and repairs before works were instructed to commence.

We would like to take this opportunity to reassure owners that we strive to obtain value for money at all times, and each of our individual contracts are subject to a thorough tender

process.

Organisations such as ourselves are regulated in our capacity as Registered Social Landlords therefore we must ensure that that all contracts are awarded (a process more commonly referred to as procurement) in accordance with the legal framework for public procurement.

It is also worth noting that, as owners ourselves, it is in our interests to ensure we obtain the best possible costs for all of our repairs and maintenance contracts, as we pay the same as private owners for all works carried out.

Some examples of recent contracts awarded and the process to get to that stage are detailed below:

2017/2018 Paintworks Contracts – our process

Each year, we identify areas within our housing stock which are scheduled to be repainted. This will include elements of our privately owned houses, such as windows, fencing and fascias, but more relevant to owners are the common elements such as communal fencing and railings within landscaped areas and communal windows, fascias and closes within blocks of flats. All contract elements are then issued out to tender to those framework contractors on our approved list who have expressed an interest in these types of works.

For this contract, we received tender returns from four contractors. Following assessment of the returns on a price and quality basis, Novus Property Solutions were awarded the contract. As our contracts are awarded on a price and quality basis, it is not always the lowest tenderer who will be awarded a contract. This ensures overall best value for money.

An approved quantity surveyor for the project is appointed on our behalf to oversee contracts of this nature. One of their roles is to calculate the individual charges per site, and per owner, based on allocations set out within the Title Deeds. On completion of the contract, they will also confirm that works have been carried out per the original specification. All of our contracts are awarded on this basis.

As the costs to be recharged to you as an owner are submitted based on the whole contract rather than on a block by block basis, owners tend to be informed only of their individual cost. We appreciate that this is not always made clear in our letters to you and it may appear that only one contractor has been approached for these types of works. We hope that this process description will reassure owners that we do work hard to ensure best value for money at all times.

MEARS NOW IN PLACE FOR OUR REPAIRS CONTRACT

We appointed Mears for the period 1st December 2017 to 30 November 2027 to provide our repairs service which includes attending to communal repairs (the share of the cost of these repairs being recharged to owners in line with your Title Deeds for the property).

This was after an extremely thorough tendering exercise aimed at achieving Best Value for Money, where the contract was advertised and tendered in line with the Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016.

It was assisted by our experienced

and independent procurement consultants Echelon.

The contract was scored on the basis of price and quality. This means we do not necessarily accept the lowest price and award the contract if the potential provider is not able to meet the level of quality our customers would expect.

The price of each common repair is set using the National Housing Federation's Schedules of Rates for each job, together with an adjustment for the contractor's tendered rates. Works must be completed in accordance with all statutory requirements relating to Health & Safety and British



Standards Institute Codes of Practice and Construction Regulations.

To ensure that we get Value For Money, the contractor must meet our Key Performance Indicators. Failure to meet these standards of service delivery reduces what we pay to the contractor. Continual failure to meet our Minimum Levels of Acceptable Performance can allow us to terminate the contract at any point during the term of the contract.

LANDSCAPED AREAS

In our survey, several house owners had commented that they were expected to pay for the maintenance of areas nowhere near their houses. We would also like to try to address this concern.

Whilst we can appreciate the frustrations of owners who feel they are not benefitting directly from landscaping charges if they do not have common areas close to their houses, unfortunately we have no control over which areas you are responsible for.

All landscaping charges are applied in accordance with your Title Deeds. The Deeds set out the areas that you, as an owner, are solely responsible for (your private flat/house garden for example) and the areas where you have a common responsibility with the other owners in the development. In a block of flats, this will include the roof, close, back court, etc and is therefore more clear cut.

For some house owners, this will include a share of any communal landscaped areas and this may include any surrounding areas of land which are not owned by a specific property but that all owners within the boundary must maintain. As well as landscaping costs, this will also include any costs associated with the communal fencing, railings and trip rails within the common areas.

In bigger sites, this may mean that most of the areas are not close to your actual house, but does not alter the fact that you are liable for your equal share of these areas. This legal obligation is set out in your Deeds and is not something we have the power to change.



The attached plan shows an example of one of our sites where all houses have their own private garden. However all are responsible for an equal share of the common areas highlighted in green in accordance with the Title Deeds.



If you are not clear on the common areas you are responsible for and require further information, please contact your Factoring Officer.

HOW YOU RATE ADDITIONAL SERVICES WE PROVIDE

Our Survey indicated relatively high levels of satisfaction with the service we provide to you. Overall, we improved on our results from the last survey carried out in 2015 (shown in brackets). We are required to carry out a survey every three years.

Satisfaction with Additional Services Received						
Service	Overall Satisfaction	Very Satisfied	Fairly Satisfied	Neither Satisfied nor Dissatisfied	Fairly Dissatisfied	Very Dissatisfied
Back court cleaning	70% (67%)	33% (26%)	37% (41%)	12% (22%)	10% (4%)	8% (7%)
Close cleaning	71% (64%)	33% (25%)	38% (29%)	0% (29%)	14% (8%)	14% (8%)
Close painting	76% (64%)	49% (28%)	27% (34%)	16% (25%)	7% (6%)	2% (8%)
Door entry system maintenance	77% (69%)	36% (36%)	41% (33%)	9% (28%)	9% (2%)	5% (2%)
Fence painting	73% (53%)	53% (28%)	20% (25%)	16% (35%)	4% (8%)	6% (5%)
Gutter cleaning	72% (62%)	41% (18%)	31% (44%)	22% (31%)	1% (4%)	4% (3%)
Landscape maintenance	74% (59%)	34% (23%)	40% (36%)	15% (28%)	6% (8%)	4% (6%)

(It should be noted that results may not add up to 100% due to rounding)

Whilst our results are encouraging, we are always focussed on where we can improve our services further and reduce any levels of dissatisfaction.

We hope to have addressed some areas of confusion, for example, the awarding of repair and maintenance contracts and your responsibilities for landscaping within this newsletter.

To help us address areas where we can further reduce our levels of dissatisfaction, we would urge all owners who have any comment or complaint about our current service provision to raise these with us as soon as you become aware of the issue.

Should you wish to raise any issue with a recent repair, or have concerns with any of our contractors, please do not wait until you receive your quarterly invoice before doing so. It can be difficult to address your concern months after the work has taken place. **PLEASE CONTACT US AS SOON AS POSSIBLE.**

On occasion, owners inform us that our cleaning contractor has failed to attend and that they have carried

out cleaning and sweeping duties themselves. Whilst we appreciate owners taking pride in their common area, we would encourage you to contact our office immediately and inform us of the issue and not carry out the work yourself. There can be health and safety considerations in doing so that owners might not be fully aware of.

It is possible that our contractor has had to re-schedule the works, however we will be best placed to inform you of the reason for a delay in the cleaning to your area.



PRIVATE REPAIRS WHAT YOU SHOULD KNOW

Several of the comments returned from the survey indicated that owners would prefer to have the opportunity to be included within some of the contracts which do not directly affect them, such as gutter cleaning or paintworks.

All flat owners will benefit from the communal gutter cleaning and paintwork services, however for those who own an individual house, these elements become your responsibility when you take ownership of the property.

Unfortunately, we are unable to offer private house owners access to these contracts to have works carried out on your behalf. We would be happy to provide the details of the contractor carrying out these works and it is possible that you may be able to approach them direct. Any works that are then carried out would be a private arrangement between yourself and the contractor.

We have co-ordinated private works for owners in the past, but encountered some difficulties with this provision. We had no alternative but to restrict our services to those areas we are responsible for.

With regard to services such as gutter cleaning and paintworks, there is often some misunderstanding about what exactly owners are being charged for. We would take this opportunity to confirm that we cover the full cost of any maintenance works carried out to properties

owned by us. As a private owner, you will only ever be charged for your share of the communal maintenance, whether that be a 1/6th share of the block gutter cleaning, or a 1/75th share of the painting of the communal railings.



NICOLA ON MATERNITY LEAVE... SAY HELLO TO ADRIAN

Your Factoring Officer Nicola is now on maternity leave, and will be off for around six months.

Adrian Waddell will be taking on the role of Temporary Factoring Officer and can be contacted on 0141 550 9534 or at adrian.waddell@thenuehousing.co.uk.

Adrian has many years of factoring and other housing experience and we are confident that there will be a smooth transition to ensure owners continue to receive a high level of service.

We wish Nicola all the best and wish Adrian well in his new role.



ENERGY & DIGITAL ADVICE

Our survey results indicated that 71% of respondents spend more than 10% of their net income on fuel costs, and therefore, sit within the Scottish Government definition of 'fuel poverty'. With so many owners falling in to this category we would take this opportunity to introduce the services of our CLIC team.



ENERGY ADVICE & DIGITAL INCLUSION



How can CLIC help me?

We can support you to:

- Reduce your energy costs
- Understand your fuel bills
- Understand your Smart Meter or boiler controls
- Switch Energy Providers to get a better deal.
- Learn how to get online and learn new skills
- Learn how to use a tablet, smartphone or laptop
- Save money online
- How to stay safe online
- Keep your digital device in working order

We would urge any owners who are experiencing difficulties with their utility bills, or are just looking for advice, to make use of this free resource. You can make an appointment with the CLIC team by calling 0141 550 9558 or emailing Julie.broadley@thenuehousing.co.uk. Alternatively you could attend one of the weekly drop in centres where no appointment is necessary:

WHERE	WHEN	VENUE ADDRESS
Cranhill	Monday (weekly) 1-3pm	Scottish Veterans' Residences, 2 Bellrock Crescent, G33 3HU
Netherholm	Wednesday (weekly) 10am-12pm	Netherholm Community Hall, 4 Holmbyre Terrace, G45 9PY
Calton	Wednesday & Friday (weekly) 10am-12pm	Calton Heritage & Learning Centre, 423 London Road, G40 1AG
Bridgeton	Wednesday (weekly) 2-3.30pm	71 Main Street (Common Room), Bridgeton, G40 1QB
Tureen Street (Calton)	Thursday (weekly) 1-3pm	Calton Retirement Housing 35 Tureen Street, G40 2HG

As well as energy advice, you will note that the CLIC team can also provide digital support for those owners who wish to make more use of digital services and skills. Despite the fact that 76% of survey respondents have home internet access, the preferred methods to contact the Association were telephone (81%) and, to a lesser extent, visits to our Head Office (32%). We believe there is scope to increase the use of other digital methods of

communication such as email, and we are working on the necessary amendments to our computer systems to allow us to issue invoices and letters by email in future. Updates on the availability of this service will be provided in due course, but in the meantime any owners who wish to seek digital advice or brush up on their computer skills should make contact with our CLIC team.