



Title	Factoring Policy
Purpose	<p>MH provides factoring services in mixed tenure and fully owned buildings and developments to a wide range of customers including owner occupiers, sharing owners, shared equity owners, tenants and commercial property owners. Factoring involves managing the common parts and building fabric of our managed portfolio.</p> <p>The underlying objective is to deliver a quality factoring service in an efficient and effective way which maximises our income, demonstrates value for money and meets legal and statutory requirements, best practice and SHR guidance.</p>
Scope	<p>The Policy relates to the provision of factoring services including:</p> <ul style="list-style-type: none"> • Information and advice • Management and administration services • Supply of written statements of service • Enforcement of title deeds and other property management conditions • Buildings insurance cover (where applicable) • Day to day common repairs • Cyclical maintenance regimes • Major repairs and works including use of Minute of Agreement • Estate management and maintenance of the physical environment • Raising and collection of charges from owners for factoring services. • Debt recovery • Owners' consultation and communication <p>Delivery of the Factoring Service will be the responsibility of:</p> <ul style="list-style-type: none"> • The Chief Executive as the responsible person as defined in the Property Factors (Scotland) Act 2011 • The Director of Operations having primary responsibility for the factoring service • The Head of Property is responsible for overseeing the management of the factoring service. • The Factoring Manager is responsible for the day-to-day management of the factoring service and the contact person as defined in the Property Factors (Scotland) Act 2011 • Staff from Housing, Property, Finance, Investment, Assets, Community Regeneration, Corporate and CCT in relation to the provision of support services • All staff in relation to ensuring this policy is followed.

<p>Definitions</p>	<p>For the purposes of this policy, unless otherwise stated, the following definitions shall apply:</p> <table border="1" data-bbox="488 248 1225 622"> <thead> <tr> <th data-bbox="488 248 627 282">Term</th> <th data-bbox="627 248 1225 282">Definition</th> </tr> </thead> <tbody> <tr> <td data-bbox="488 282 627 315">MH</td> <td data-bbox="627 282 1225 315">Maryhill Housing Association</td> </tr> <tr> <td data-bbox="488 315 627 387">Owners</td> <td data-bbox="627 315 1225 387">Owners, Sharing Owners, Shared Equity Owners, Commercial Property Owners</td> </tr> <tr> <td data-bbox="488 387 627 555">Factor</td> <td data-bbox="627 387 1225 555">Manages the common parts of land used to any extent for residential purposes and owned by two or more persons, or by the Housing Association and one or more other person</td> </tr> <tr> <td data-bbox="488 555 627 622">SMT</td> <td data-bbox="627 555 1225 622">Senior Management Team</td> </tr> </tbody> </table>	Term	Definition	MH	Maryhill Housing Association	Owners	Owners, Sharing Owners, Shared Equity Owners, Commercial Property Owners	Factor	Manages the common parts of land used to any extent for residential purposes and owned by two or more persons, or by the Housing Association and one or more other person	SMT	Senior Management Team
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<p>Policy Statement</p>	<p>The following principles govern the Association's approach to factoring:</p> <ul style="list-style-type: none"> • MH will comply with the Property Factors Act, all other relevant legislation and statutory requirements and within the parameters of the title deeds • MH will aim to follow good practice guidance • MH will operate its factoring business with transparency • MH's advice to owners will be impartial, factual, clear and comprehensive. • MH will devise procedures for compliance with this policy <p>The Association's aims and objectives in the delivery of its factoring service are to:</p> <ul style="list-style-type: none"> • Deliver a high quality, pro-active factoring service. • Ensure that properties and the surrounding environment are maintained to the highest standard. • Establish and implement efficient repair and maintenance services including open and accountable procurement and tendering procedures, in accordance with the relevant Deeds and in consultation with owners. • Ensure we use all powers available in Deeds and/or in statute to progress reasonable, desirable and/or necessary common works to buildings we factor. • Ensure that our Factoring operation is financially self-sustaining without cross subsidisation from rental income. • Ensure that major works, cyclical works, and common repairs will be carried out in accordance with relevant Deeds and in consultation with owners. Major works will not, apart from in exceptional circumstances, be carried out without majority support from owners as required in the relevant Deeds (as set out in the Written Statement of Service). • Investigate and provide information on available financial support for owners for essential major repair works and improvements • Procure services and works in a fair, open and transparent manner and in line with the organisation's Procurement and Community Benefits Policy. • Establish accounting practices that are robust, transparent and accurate including effective and efficient systems for the apportioning of costs and raising of invoices. 										

	<ul style="list-style-type: none"> • Ensure there are clear and effective procedures in place to recover factoring charges in a fair and consistent manner and in accordance with the Title Deeds to minimise arrears and maximise recovery of sums owed. • Take all appropriate and ethical action to recover bad debts and prevent accumulation of high arrears in line with the Association’s factoring debt recovery procedure. • Promote the Association’s Financial Support Service to owners that are experiencing financial difficulty. • Assist owners in planning for their longer-term financial commitments by providing owners with relevant Investment Plan information for their block. • Ensure a robust communication strategy is in place which includes a full suite of communication documents to establish and sustain good communication links with its factored owners. • Ensure owners are fully aware of their responsibilities regarding factoring and title deed conditions. • Actively promote owner engagement and encourage owners’ participation in the management of their property particularly in relation to decision making. • Identify key staff and clarify their roles and responsibilities in providing an efficient and effective factoring service. • Ensure effective co-ordination between everyone responsible for the factoring service. Establish clear procedures and communication systems between relevant staff. • Monitor and report performance of the factoring service quarterly • Consider expanding the factoring service where it is appropriate and, in our interest, e.g., provide additional services to existing owners or provide factoring services to new blocks/owners. <p>Relevant statutes:</p> <p>The Factoring Policy reflects the Association’s commitment to full compliance with all legal, regulatory, and good practice requirements. Relevant statutes include:</p> <ul style="list-style-type: none"> • Property Factors (Scotland) Act 2011 • Tenements (Scotland) Act 2004 • Title Conditions (Scotland) Act 2003 • Other legislation or by agreement in writing with the homeowners, or by order made by a court or by the Lands Tribunal for Scotland <p>The following areas will be subject to monitoring and control by the Association’s SMT and internal audit:</p> <ul style="list-style-type: none"> • Policy effectiveness • Policy compliance • Risk management • Staff training <p>This policy complies with the Association’s core values of equality and diversity.</p>
Approval	Board, January 2023

Policy Owner	Jennifer Simon, Director of Operations
Review	August 2023