



Link Housing Association Ltd – Factoring Written Statement of Services Consultation Response - 6 September 2021

Link consulted factored owners from 27 July to 13 August 2021 on proposed changes to our Written Statement of Services. The purpose of the consultation was to comply with the Scottish Government's revised Code of Conduct for Property Factors (Code) from 16 August 2021. This document sets out Link's response to the feedback received. Most of the feedback was positively in agreement or not seeking any changes to the Written Statement of Services, however several points required further explanation as detailed below:

About the Consultation

We issued 7188 consultation letters to factored owners and received 84 responses from a combination of online and paper survey responses. Some found our revised draft Written Statement of Services clear and easy to understand. Others raised specific queries or made suggestions for improvement, which are detailed in this document. This document excludes any comments relating to specific estates, which we will respond to separately where contact details were provided by the respondent.

1.0 INTRODUCTION

Link received no specific suggested changes to this part of the Written Statement of Services.

Comments were received in relation to:

Authority to Act - Further information about this is available within title deeds, independent advice agencies such as Citizens Advice Scotland, solicitors, or from the independent website: <https://underoneroof.scot/>

Fee levels and affordability - The Scottish Housing Regulator expects that we act fairly to recover the cost of running the factoring service. Link signposts any customers advising of financial hardship to appropriate advice providers.

Plain English – Link's Communication Team has reviewed and updated the Written Statement to ensure it is written in plain English. We are limited in how much we can simplify the contents due to our legal obligations under the Code of Conduct.

2.0 AUTHORITY TO ACT AS FACTORS

Link received no specific suggested changes to this part of the Written Statement of Services.

Comments were received in relation to:



Health and safety issues – As explained in Link’s Written Statement of Services, emergency repairs can be carried out without advance notification.

Delegated Authority – The Delegated Authority level, or limit, of £180 including VAT per owner is the value Link specifies for new developments. We apply this limit to all developments we factor including where title deeds are silent unless a majority of owners agree another level or the title deeds state otherwise.

3.0 SERVICES PROVIDED

Link received no specific suggested changes to this part of the Written Statement of Services.

Some comments were received about landscaping and footpaths in specific areas which we will contact respondents directly about, where contact details were provided. As stated in the consultation survey, please contact us separately to report any factoring issues needing attended to.

One respondent asked whether it was fair that debt recovery costs need to be met by all owners. Our debt recovery policy sets out the type of charges to be met by individual owners who have not paid their factoring debt after we have signposted them to advice and information to help them pay the debt in a reasonable period.

4.0 FINANCIAL AND CHARGING ARRANGEMENTS

Link received no specific suggested changes to this part of the Written Statement of Services.

Comments were received in relation to:

Fee increases – Although the consultation did not propose any increases to our management fees, the Scottish Government’s Code of Conduct does not place any specific limits on the ability of factors to increase prices, but it does require transparency on how to switch factors. Link reviews service delivery costs and factors fees annually. When reviewing costs and fees, we aim to ensure good value, affordability, and that charges cover the cost of services to owners, to meet the Scottish Housing Regulator’s expectations. We do not aim to make a profit in mixed tenure estates but do require to cover our costs. Any surplus in our commercial activities is re-invested into affordable housing and related services.

Variable costs – as reactive repairs or utility bills are not known in advance, the Property Specific Schedule states ‘variable’, with actual costs detailed on your invoice.



Repair costs above £50 in stock formerly managed by Weslo, served by the Bathgate Office - Any change to the management fee structure which originated with stock managed by Weslo, would be subject to consultation before Link sought to make any changes to it. The practice was derived by Weslo to help ensure that management costs were proportionate. As an example, a repair costing £1800 divided between four properties with a cost of £450 per property would incur a management fee of 15% or £67.50 per owner.

Apportionment values – your property specific schedule states the share of the costs that you pay, in accordance with your title deeds. This describes the number of properties the total cost is divided by for each communal element e.g. if there are 230 owners in the estate, landscaping costs would be divided equally between 230.

Alternative contractors selected by owners – Owners should contact Link with any specific requests or queries about the appointment of contractors. In general terms, although factors are entitled to decide on which contractors to appoint unless the title deeds or basis of appointment say otherwise, any flat owner is entitled under the Tenements (Scotland) Act 2003 to arrange emergency repairs (as defined by the Act) and to recharge the other owners.

Malicious damage costs – where the person responsible can be clearly identified they will be recharged for the costs of any associated repair work. If we cannot identify the person responsible, the costs of the repair will be shared by all owners. If the person responsible is a Link tenant, Link will meet the full cost.

Grass cutting costs – any of the grass that we maintain is privately owned and not adopted by the Council. Council tax does not cover these costs.

Cyclical maintenance fund - sometimes referred to as a sinking fund, is defined by the Code of Conduct as a *“Sinking or Reserve Fund: A fund used to gather monies from homeowners to pay for major repairs. The arrangements are normally written into the title deeds to the property.”* If your Property Specific Schedule is silent on this, it means there is no such fund in place. Independent information is available at: [Paying for repairs \(underoneroof.scot\)](http://underoneroof.scot)

Float – if there is no mention of a float or value in this section in your Property Specific Schedule then you do not have to pay a float. A Float is defined by the Scottish Government as *“The collective term for advance payments made by homeowners kept in a maintenance account by a property factor to deal with routine or minor repairs.”* Independent information is available at: [Paying for repairs \(underoneroof.scot\)](http://underoneroof.scot)

Building Insurance – is only provided where the factor is required under your title deeds to hold the policy or a majority of owners have agreed we should provide a block policy. Where Link holds the block insurance policy for your property you will receive details of the reinstatement value insured, premium amount, insurer name and summary of cover on an annual basis.



Payment methods - cash cannot currently be accepted in offices due to home working associated with the pandemic, however cheques can be posted with a covering letter detailing the customer number, name and address, if the other payment methods listed on invoices are not able to be used for any reason.

Electronic invoices - these can be requested by emailing us using the contact details listed in the Written Statement of Services.

Specific comments about individual estates were received which we will contact owners about directly, where contact details were provided.

One comment was made about some bills being very late being added. We charge owners after paying contractors which can take some time; and we are also working on our IT system to identify ways we can speed up the time taken to accurately issue invoices.

5.0 PAYMENT METHODS AND DEBT RECOVERY

Link received no specific suggested changes to this part of the Written Statement of Services.

Comments were received in relation to:

Standing orders – the option remains for owners to pay by this method.

We received one request for prior warning of invoices from an owner who can be away for extended periods – the next scheduled invoice date for the affected owner is between January and February 2022.

6.0 CONTRACTORS

Link received no specific suggested changes to this part of the Written Statement of Services.

Comments were received in relation to:

Contractor selection, review and screening – Link's in-house contractor carries out a range of works and may outsource certain works, including work at height to communal areas. We have appointed two external contractors for this purpose via a competitive tender exercise on Public Contracts Scotland's website. The associated contracts contain performance management arrangements and standards of work required, and specify the contract duration, subject to performance. Link's in-house contractor's rates compare favourably with the externally procured contractors. In addition, Link has procured landscaping and close cleaning contracts via a competitive tendering exercise using Public Contracts Scotland, with management arrangements in place to ensure performance meets our specified standards. Each



procured contract must be reviewed at set intervals and they cannot be extended indefinitely. All contractors require to have in place appropriate insurances. Some contractors are appointed for specialist purposes separately to our general contracts, for example if we need to obtain quotes for large scale refurbishment works; and some contractors historically appointed out-with these contracts remain in place. We would be happy to answer any specific queries on contractor appointment. Regardless of the method of appointment, Link as factor is obliged to pursue any contractor to remedy any unsatisfactory work.

Tender for works – Link procures contractors in accordance with the Link Group Procurement Strategy, which includes Community Benefits as part of the tendering process in certain contracts of work over £2m and supplies and services over £50,000, even where the contractor is not local.

Notification and access – If access to private property is required to carry out a repair, Link will communicate with owners in advance. If Link is doing work on a neighbouring property that could impact on an owner's private land, we will notify the neighbouring owner of the work and seek permission.

7.0 COMMUNICATION ARRANGEMENTS

Link received no specific suggested changes to this part of our Written Statement of Services.

Comments were received in relation to:

Correspondence address – We can confirm all contact details of non-resident landlords provided to the Bathgate (former Weslo) office will remain in place following the change to Link on 1 June 2021.

Meetings – please get in touch if you want to request a meeting to discuss any factoring issues including the Written Statement of Services.

Timing of consultation – we received one comment about the timing of our consultation letter. We have provided consultation response forms to all owners who requested them due to being unable to respond online, irrespective of the date requested. The alternative mailing arrangements that we put in place due to remote working as a result of the pandemic, took longer than expected, however we have ensured that all owners who wanted to participate in the consultation have had the opportunity to do so.

Communication timeframes – some comments were received about Link having faster response times than the previous factor.

8.0 HOW TO END THE FACTORING AGREEMENT



Link received no specific suggested changes to this part of our Written Statement of Services.

Two comments were received in relation to how to end the factoring service. Information on how to end your factoring agreement is normally located within the title deed for your property. If your title deed is silent then you would revert to the Tenement Management Scheme if your property is a flat, which can be found at <https://www.legislation.gov.uk/asp/2004/11/schedule/1>. If your property is a house, it is normal practice that you would need majority consent, but we advise that you seek legal advice and communicate with your neighbours. Independent information is available at: [Property Factors \(Managers\) \(underoneroof.scot\)](http://Property Factors (Managers) (underoneroof.scot))

CONCLUSION

Using Feedback to Improve

Link's consultation with factored owners has led to some improvements to the wording in our Written Statement of Services, to make it more plain English. The final revised version will be published on our website week commencing 6 August 2021, however we welcome feedback on it at any time. We acknowledge that the statement is quite lengthy, so that we can meet all the obligations of the new Code of Conduct for factors across Scotland.

Link recognises that individual contact is needed with some owners who responded to the consultation and will do so on an individual basis, where details were supplied.

Link values feedback about our services at any time. Contact details for providing feedback are contained within the Written Statement of Services and are also available on our website.

If you need any clarification on any aspect of this response, please contact Link using the details in your Written Statement of Services.

Thank you for reading this information.