

Sold Property Management Service: Factoring Service

This information refers specifically to Clydebank Properties throughout and is in the process of being revised to apply across the Council area. Much of it will apply to you wherever you live and we hope it gives an insight into what the Factoring Service for ex-Council property covers.

Specific questions relative to your home can be addressed with any of the staff members noted in the table shown later.

What is a Factoring Service?

When you buy a flat within a tenement, a four-in-a-block or a maisonette you also buy a right in the common areas and structure of the whole building, for example the roof, walls and the ground.

Each owner has a responsibility for the upkeep of these areas.

The co-operation of all owners is needed to make living in a flat successful.

A set of rules covering the management, maintenance and repair of the common areas is in your Feu disposition (Title Deeds).

This makes provision for our factoring service, and outlines your liability for common repairs.

We introduced the factoring service to put the duties that we have to manage ex-council properties on a proper and formal basis.

The factoring fee goes towards covering the administration costs of providing the housing services for people who have purchased former council houses.

We outline these services here.

They relate to flats sold by the Council **After September 1987**, and where we retain ownership of at least one flat within the block.

Who pays for the Factoring Service?

We act as the Property Manager. We charge a Factoring Fee if we own at least one of the flats in the block in which your flat is situated.

Generally, if the Council first sold the flat, **Before September 1987**, we are the factor, only where at least half the flats in the block are still in Council ownership.

We are not required to factor and you would not pay a Factoring Fee if you have:

- A semi-detached or terraced type house. However, if a common structure needs repaired we will advise you in writing of your share of the estimated costs, and whether a grant may be available for which you would have to apply to the section to whom we would refer you. The only exceptions are urgent or emergency repairs in which case we will advise you of your share of the costs after completing the repairs. We may charge an administration fee for each common repair carried out.
- A property in which we do not own any of the flats.

In this case you can, retain us as factors or **opt out**. If you want to opt out of our factoring service please advise us in writing by letter, signed by all the owners. We will not cancel the factoring charges until we receive the letter.

If you retain us as factors you would pay a Factoring Fee and we automatically have the authority to carry out common works up to the value of £500.00 per owner.

Should we propose works where your share exceeds £500.00, we will invite all owners of the block to a meeting and the majority vote will decide if the works proceed or not.

What does the Factoring Service Cover?

We provide the following for the factoring fee:

- Carry out inspections on your property at the request of you or any neighbour having a problem or concern.
- Decide what repairs are necessary to the common structure.
- Advise you in writing of the proposed repair, your share of the estimated costs, whether a grant may be available for which you would have to apply (we will tell you to whom to go) and provide a comprehensive job description. Exceptions to this process are urgent or emergency repairs where to delay would cause further damage.
- We will advise you of your final share of costs after completing the repair, however if there is a substantial change due to undiscovered work as the job proceeds, we will always endeavour to advise you as the job progresses of any such change in value.

Such variations usually occur on bigger jobs or jobs that were difficult to fully inspect before opening up the area to be worked on.

- Liaise with contractors and other owners involved in the repair.
- Carry out post inspections of all common repairs before issuing an invoice.
- Pay for the common works, divide the cost accurately and invoice you for your share of the costs.
- Investigate and always try to resolve any complaints of unsatisfactory repair works or queries relating to the accounts sent out for payment.
- Answer any enquiry you may have about the service we provide.
- Answer your correspondence in an accurate & efficient manner within the Councils timescales for responding to correspondence.

How Much is the Factoring Fee?

This will depend on the type of property.

We base our fees on the amount of work involved in providing a service to your property.

We charge competitive fees in comparison to the general Property Management Sector.

Currently they are: **All Rates shown are as at April 2005**

| <i>House type</i> | <i>Annual fee</i> |
|-------------------------|---|
| Semi-detached | No annual fee. We may charge an administration fee for each common repair carried out |
| Four-in-a-block | £57.35 This increases in line with inflation. |
| Terrace | No annual fee. We may charge an administration fee for each common repair carried out |
| Maisonette/ Tenement | £57.35 This increases in line with inflation. |
| Multi-storey | £80.29 This increases in line with inflation. |

If you buy a flat you will also have to deposit **£50.00** for the “**Common Float Fund**”. This money acts as a deposit & goes towards the costs of carrying out common repairs.

Generally we refund the deposit when you sell your flat.

Depending upon your property type there may be additional “Common Services Charges” for shared services. The values shown are averaged and increase in line with both inflation and service provider increases for supply of the particular service: These can include:

| | |
|--|------------------------|
| Communal Television Aerials/Reception Systems: | £16.35 per year |
| Communal Electricity Charges for Stair Lighting etc: | £10.88 per year |

These particular charges vary a little from property type to property type subject to valuation.

Multi Storey Properties attract an additional fee of approximately **£500.00** per year for services specific to this type of property and again subject to the type of Multi Storey being evaluated.

What are the Common Areas?

Common areas include the external structure of the block and any common garden ground that serves more than one of the flats within the block.

We list below examples of common areas; areas deemed common are stipulated within your Title Deeds and usually coloured on the Deed Plan itself.

If you are not sure whether a repair to your property is a common repair, phone one of our contact persons listed on the table who will be happy to find this out and advise you.

If necessary, a visit to your home will be arranged to assist with the determination.

If the repair is within a common area we will normally be happy to arrange its repair as necessary.

The main Common Areas encountered are:

- The solum (the area underneath the building) and contained within the buildings foundations.
- The outside walls excluding all windows, doors, window and door frame and the mastic sealant between the frames and the outside walls.
- The roof, chimneys and any sky lights.
- Your Attic, Attics and/or Roof Space in general to the property.
- All main water supply pipes, sewage and drainage pipes, gutters, down pipes, gas and electric mains and other pipes, cables, transmitters, television services and aerials used by or serving more than one flat. Including that held within Attic spaces.

- The walls, gables, fences or hedges separating common ground from an adjoining property. These areas may not however be sold as common to the whole block, your Title Deeds will determine that division and to this we shall refer for charges being made.

Do I pay for Common Repairs?

Yes.

Except usually, Semi-detached and Terraced Properties where we deal with these on a Firewall to Firewall basis and may not require to do any common repair works.

Each time we carry out a common repair we notify you in advance to allow some time for discussion, and we invoice you for your share of the total cost once known. Health & Safety Emergencies may require that we take immediate action and notify you after the event. We would do this only in exceptional circumstances.

What are Common Contract Works?

Common contract works, is work comprised or bundled together to be done by us within one contract to save money by acting efficiently. It normally affects more than one property.

We generally aim to involve you in some discussion on this type of work.

Your Title Deeds set out yours & our liability when we carry out common contract work which will include a share ratio or percentage.

There are two types of conditions under which we will carry out common contract work.

These are:

- Necessary or Desirable work.
- Improvement work.

Necessary or Desirable work

Your Title Deeds allow us to carry out work that is necessary or desirable for the repair, maintenance or renewal to the common areas. If we intend to carry out a contract that includes your property we will:

Advise you in writing of:

- The Proposed nature of the Contract Work
- The Estimated Costs
- If a grant may be available & for which you would have to apply.

- We provide a full Job Description.
- We liaise with the Contract Supervisor and other Owners involved in the contract.
- We investigate and always try to resolve any complaints of unsatisfactory contract works through contact with the Contract Supervisor.
- We pay for the common works, divide the cost and invoice you after we receive the Final Accounts from the Contract Supervisor.

If additional necessary work is required during the contract, the Contract Supervisor will advise us as work proceeds and we shall endeavour to keep you abreast of these cost changes. The Contract Supervisor will detail all costs fully upon completion of the contract.

We will invoice your "final" share cost once work is completed, normally you would know this in advance.

Due to the nature of contract work we cannot stop work on site to advise you of any additional costs without facing a further increase in contract costs, we aim however to keep you in touch with all such developments. We also aim to keep changes to an absolute necessary minimum.

Improvement works:

Your Title Deeds state, before carrying out improvement works we will call a meeting with all owners in the block.

At this meeting, we represent the tenants in the block. A majority vote of all parties to the property, taken at the meeting decides if the improvement work goes ahead.

When we propose to carry out Improvement Work we will:

- Invite all owners to a meeting giving at least seven days written notice.

Advise you in writing of:

- The Proposed nature of the Improvement Works
- The Estimated Costs
- If a grant may be available & for which you would have to apply.
- We provide a full Job Description.
- We liaise with the Works Supervisor and other Owners involved in the contract.
- We investigate and always try to resolve any complaints of unsatisfactory contract works through contact with the Works Supervisor.

- We pay for the common works, divide the cost appropriately and invoice you after we receive the Final Accounts from the Works Supervisor.

Additional necessary work maybe required during the contract, for example dry rot.

The Works Supervisor will advise us as work progress and we will always endeavour to advise you if costs are changing and we will give you a cost breakdown on completion of the contract.

We will advise you of your new "Final" share cost thereafter.

Due to the nature of contract work we cannot stop work on site to advise you of any additional costs without facing a further increase in contract costs, we aim however to keep you in touch with all such developments. We also aim to keep changes to an absolute necessary minimum.

If additional, but optional Improvement Work is required or becomes evident, during any works, we will call a further meeting to discuss the additional works, the associated costs and another vote will be taken on if we must proceed.

If the majority vote **Against** the additional optional improvement work, it will not go ahead.

If in the future, we later deem this work necessary, we may carry out the work under necessary or desirable works category.

You will be liable for an equal share of the cost.

An example of this is would be a typical roof renewal contract.

As part of an improvement contract we may offer to re-roof a property due to its age and condition even if it is not leaking.

If the majority decision was not to re-roof the block then no works will be carried out.

If at a later date, the roof leaked and a survey revealed that it was beyond economic repair, we would re-roof the property to ensure the structural integrity of the building as necessary works.

Detailed below are some contracts we have carried out in the past.

Some of these examples fall into both categories, which we have explained above.

| Necessary or Desirable Work | Improvement Work |
|--|---|
| <ul style="list-style-type: none"> • external and internal close painterwork • re-roofing • lead pipe replacement • re-cladding of walls | <ul style="list-style-type: none"> • external and internal close painterwork • re-roofing • lead pipe replacement • door entry installation • re-cladding of walls • cavity wall insulation |

Do I pay VAT?

For all common repairs VAT is not payable.

For common improvement works where we call a meeting and you have to abide by the decision of the meeting VAT again, is not payable.

In all other cases we will add VAT to your invoice.

When do I Pay?

We will invoice you once a year for the Factoring Fee, Service Charge and Building Insurance.

For Common Repairs we will invoice you on completion of the repair although some very small charges lie on the file and will be charged with the next charge put through. All charges will be detailed.

Payment is due within **Fourteen Days** from the date on your invoice.

If you have difficulty in paying please contact us immediately to discuss your account and how we may be able to help you.

We want to help you avoid any worry, in this respect, it always pays to contact our staff as soon as possible, when you feel you may have difficulties.

What if I Sell my Home?

If you decide to sell your home, you must, by Law:

- Tell your Lawyer to contact us with details of the sale.
- Pay any Outstanding Accounts held with us.

What other Services do you provide?

We provide you with:

- Stair lighting.
- Maintenance of Communal Television Aerials. If you want to opt out of this service, the service providers will charge a disconnection fee of approximately £150.00 please contact the Sold Property Section for the current charge before you decide.
- Communal Heating Systems.
- Maintenance of Open Spaces, where appropriate.

If your home is in a Multi-Storey Block, Service Charges will also include your share of any Caretaking/Concierge Services.

Pump and Lift Maintenance charges will also be made.

How much is the Service Charge?

You pay your share of the above services. As the cost of these services changes with inflation it is not possible to give specific costs here.

Please contact the Sold Property Section for advice, specific to your likely current service charges.

Typically though: As in Page Four above: **Rates as at April 2005 & subject to Inflation.**

Depending upon where you live there may be additional “**Common Services Charges**” for shared services. The values shown are averaged and increase in line with both inflation and service provider increases for supply of the particular service: These can include:

Communal Television Aerials/Reception Systems: **£16.35** per year

Communal Electricity Charges for Stair Lighting etc: **£10.88** per year

These particular charges vary a little from property to property subject to valuation.

Multi Storey Properties attract an additional fee of approximately **£500.00** per year for services specific to this type of property and again subject to the type of Multi Storey being evaluated.

Do you provide Insurance Cover?

Yes.

If you bought your home **After September 1987** you must take out our building insurance.

The “**Sum Insured**” is index linked and changes on 1st April each year.

We insure each property to its “**Reinstatement Value**”. This is the cost of demolishing and rebuilding to full reinstatement should the worst happen. It is industry standard practice.

Please contact the Sold Property Section for our current and competitive rates.

You can only opt out of our buildings insurance when **all** properties in the block are sold and all existing premiums are up to date. We only allow customers to cancel their premium if all payments due are up to date.

If we own at least one of the properties, you may **not** opt out.

Periodically we put our building insurance out to tender. We are doing this again in November 2005 subsequently, Insurance rates across the Council will be revised and new notifications sent out from April 2006.

This way we make sure we are getting industry standard & very competitive rates.

How do I claim from my Building Insurance?

You can contact us during office hours and we will send you a claim form.

Outwith office hours, weekends, public holiday's etc. contact the insurance company direct on the number given with your policy document.

Each year we will send you a letter with your insurer's details.

Send your completed claim form directly to the insurance company at the address they state.

They will process your claim and deal directly with you on this, we do not interfere with the Insurance Process in any way, your contract is with the company and we merely process collection of premiums on the Insurers behalf.

How do I Contact the Sold Property Staff?

Please Telephone or Write to us:

The following table lists the Sold Property Staff to contact if you have an enquiry.

| Enquiring About: | Contact | Telephone |
|---|-----------------------------------|------------------|
| Common Repairs (All Area's) | Repairs Staff | 0800-073-8708 |
| Insurance/factoring / Services | Sold Property Staff | 01389 738222 |
| Report an Emergency Repair (out of hours) | Out of Hours Repairs Staff | 0800-197-1004 |

Still Having Problems?

The Housing Capital Investment Coordinator manages the Sold Property Service and will be happy to address any problem you may have had which was not first handled to your satisfaction by the staff shown above.

You can write to the Housing Capital Investment Coordinator with as much detail as possible at:

West Dunbartonshire Council,
Sold Property Section
57 Cochno Street
Clydebank
G81 1RQ