

MILNBANK PROPERTY SERVICES LTD

WRITTEN STATEMENT OF FACTORING SERVICES

INTRODUCTION

These are the terms and conditions for the provision of a factoring service to owner occupiers by Milnbank Property Services Limited, incorporated under the Companies Act (Registered Number SC336169) and having our Registered Office at 53 Ballindalloch Drive, Glasgow, G31 3DQ and our Property Factors Registered Number is PF000368.

Milnbank Property Services Limited (MPSL) is a registered property factor as defined within the Property Factors (Scotland) Act 2011. As a registered property factor, MPSL is legally required to ensure compliance with the Code of Conduct provided for in this Act.

The purpose of this document is to detail the role of Milnbank Property Services Ltd as Property Managers on behalf of owner occupiers. Milnbank Property Services Ltd is a wholly owned subsidiary of Milnbank Housing Association. It is the Company's responsibility to arrange and oversee the general upkeep of factored buildings, ensure that common parts are maintained to a high standard and that all necessary repairs are carried out. As required under the Property Factors Code of Conduct, this document constitutes a Written Statement of Services setting out the arrangements in place between MPSL and homeowners.

(1) AUTHORITY TO ACT

MPSL operates as property factor on behalf of the co-owners due to either:

- ❖ Operating as Factor by custom and practice with no formal appointment existing
- ❖ Appointed as Factor by the developer of a property
- ❖ Appointed as Factor by a majority of owners

(2) MANAGEMENT FEE CHARGE

The Management Fee is the charge made by the Company to cover the costs of managing your property.

The Management Fee will be reviewed annually to ensure it accurately reflects actual costs incurred by MPSL in providing this service.

The charge is part of your factoring invoice which is issued to you. You will annually be issued in April with details of any increases in charges.

The services provided for within the Management Fee covers:-

- All property management administration
- All communication with owners including the issue of newsletters
- Arranging and monitoring of cyclical and major works contracts
- Open door policy for owners to report repairs or discuss factoring issues

- Administration of Building Insurance, premiums and claims
- Copy invoices free of charge
- Property inspections and advisory service for owners
- Pre and post inspection service for specific repair and maintenance works
- Issuing factoring accounts (six monthly)
- Supplying information to solicitors e.g. house sales
- Debt recovery process
- Holding close meetings as required
- Stair cleaning service
- Clean common landing windows

(3) DEPOSIT

As at 1 April 2013 a deposit of £50.00 is charged to all incoming owners. This sum is refundable when the owner sells their property, provided there are no outstanding arrears. In the case of an arrear the deposit will be offset against it and any credit balances refunded to the owner. Deposits are separately accounted for through the Companies computer coding system.

When an owner sells the property, their Solicitor shall notify the Property Managers of the date of sale and identify the successor to the ownership.

(4) COMMON ESTATE SERVICE CHARGE

MPSL provides a fully comprehensive estate management service, to ensure that the common areas are inspected and maintained to the highest possible standard.

This Fee will be reviewed annually to ensure it accurately reflects actual costs incurred by MPSL in providing this service.

The charge is part of your factoring invoice which is issued to you. You will annually be issued in April with details of any increases in charges.

The Common Estates Service Charge Covers:

Backcourt & Garden Maintenance Service (**Breakdown of schedule on page 10**)
Common Estate Management Inspections once a month

(5) BUILDING INSURANCE

The Company operates a common block Building Insurance Policy which covers full re-instatement value. Owner occupiers must participate and will be supplied with details on commencement of factoring when purchasing their flat privately. Owners should note that cover does not include personal effects, floor coverings, furniture, etc, and it is their responsibility to ensure that they are adequately covered in this respect by Household Contents Insurance.

The policy runs from 1st April to 31st March and will be automatically renewed by the Association annually for as long as we provide factoring services at your address. The policy is a block policy covering all our wholly owned and factored stock and is fully comprehensive. The cover is based on the reinstatement value of the property (i.e. the cost for the complete rebuilding of the flat or tenement as a whole). This value is assessed annually in February/March by the Insurers

when the premium is being reviewed. In comparisons to peers (other RSL's), our claim numbers are modest and in addition to, the Insurer is currently comfortable with the claims costs versus the premium. The Association pays the premium in full to the Insurers. Owners are informed of the new premium in April each year by an insurance schedule which is sent out along with the April invoice. The schedule provides details on: who the Insurers are, the policy number, who the loss adjuster is, amount insured, annual premium and date of renewal. The premium is calculated by the rate determined by the Insurers and divided equally between all factored owners covered in the policy. All new owners are presented with a copy of the insurance schedule at date of commencement. A copy of the schedule is available on request. When an insurance claim is processed please note any excess is due from the flat that has been affected.

The terms and conditions of the policy require that any loss or damage likely to be the subject of a claim be reported to the Company within 30 days. Failure to do so will result in the claim being declined by the Insurer's.

Where owners have failed to pay their building insurance premium within the factoring period the Company may:

- a) Not process any private claims made by the owner.
- b) Where relevant, notify owners lenders that the property is not covered under the Association block insurance policy.

(6) FACTORING ACCOUNTS

Where the Association operates as Factor by custom and practice with no formal appointment existing owners will be invoiced twice yearly (April and October)

Where the Association was appointed as Factor by the developer owners will be invoiced yearly (April)

Where the Association was appointed as Factor by a majority vote owners will be invoiced yearly (April)

Factoring accounts will be sent out April and October where applicable. Accounts will contain details of :- a management fee, common estates service charge, share of any common repairs, cyclical maintenance charges, service charges, any private repairs and buildings insurance premium (April only).

Unless the property concerned is covered by our Fixed Cost Factoring Agreement the share of common repairs charged in each tenement property will be in accordance with the provisions of the title deeds.

Owners are invited to inspect any relevant accounts at the office or alternatively, copies are available on request free of charge.

A flat fee of £50 + VAT will be charged to lending authorities requesting copies of key documents in relation to building contracts. This fee covers staff time, storage, photocopying costs.

You should check your account on receipt and direct any queries to the property management team based in our office within 14 days.

(7) PAYMENT OF FACTORING ACCOUNT

Owners are expected to pay their accounts promptly. The date that the Company receives payment or instalment is the date listed on our bank statement - not the date the owner makes the payment.

- Payment using your Allpay card can be made at any outlet displaying the Paypoint/Payzone sign or at any Post Office at any time throughout the year irrespective of whether an account has just been issued. A minimum payment of £5 per transaction can be made.
- Payments via instalments are permitted provided that this has been agreed with the Property Management Officer and the sum covers the current account, any outstanding building insurance premium or is intended to reduce any arrears outstanding. The instalment figure shall be reviewed at the commencement of each factoring period.
- A Direct Debit payment scheme is in operation. Details can be obtained from the Association's office. No fee will be charged for setting up the Direct Debit, however, a fee of £10 will be charged in the event of non-payment to cover the Company's administrative costs.
- The Company has the Chip & Pin facility to accept Card payments via the office or over the telephone.
- Online payments can be made using your Debit/Credit card.
- Payments by cheque should be made payable to 'Milnbank Property Services Ltd'
- Cash payments can be made at our office.

(8) FACTORING ARREARS/DEBT RECOVERY

The Company will always pursue owners who fail to pay their accounts. A sequence of actions will be carried out when an account is outstanding. Any expenses incurred from legal actions will be levied to the owners account.

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| 4 weeks | - | reminder |
| 6 weeks | - | Sheriff Officers instructed to issue 7 day letter |
| 7 weeks | - | Court action instructed |

Potential Legal Action

(a) Payment Decree

(1) Open Decree: The Sheriff awarding a payment decree which orders payment of the sums claimed together with interest and expenses.

(2) Instalment Decree: The Sheriff awarding decree for payment of the sums claimed together with interest and expenses, payable by way of instalments of weekly/monthly payments.

- (b) Wage Arrestment** Enforcement of the Decree (referred to at (a) above) by way of deductions from the debtor's salary, made directly at source and paid by the employers in reduction of sums due.
- (c) Speculative Arrestment** If the Company does not have employment details to carry out a straight Wage Arrestment the Sheriff Officer will be instructed to implement a Speculative Arrestment to recover the outstanding balance from the owner's bank account.
- (d) Rent Arrestment** Legal action will take the form of the Sheriff Officer arresting the rent of the owner's sub-letting tenant.
- (e) Attachment** If the owner fails to adhere to the payment decree, the Board shall recommend that an Attachment is carried out. Sheriff Officers attend the premises of a debtor to value goods then sell them to pay off the debt and offset any monies received against the factoring arrears.
- (f) Instruct Notice of Potential Liability** The Notice is registered in the Land Register either under the Tenements (Scotland) Act 2004 if the property is a flat or under the Title Conditions (Scotland) Act 2003 if the property is a house. The Notice lasts for three years from the date of registration and can be renewed by being registered again before the expiry date. Settlement of all sums due would be required prior to the Notice being formally discharged.
- (g) Serve an Inhibition** The Company shall serve an Inhibition Order thus preventing the owner selling the property, obtaining secured borrowings against the property or conveying with any other property without settling the outstanding factoring debts. The order shall be registered in the Land Register and last the duration of 5 years. Settlement of all sums due would be required prior to the Inhibition being formally discharged.
- (h) Sequesterate** When an owner has an outstanding debt of £3,000 or more, the Company will initiate action to declare the owner bankrupt.

The Company has engaged a debt recovery agency to locate and in appropriate cases pursue recovery of all outstanding debts. The Property Services Manager will determine which cases are pursued by the agency.

(9) **REPAIRS**

In order to maintain the property to a high standard it is necessary to identify and carry out repairs. We aim to ensure a fast and responsive service aimed at preventing routine repairs becoming major building defects. The Company will work to the schedule provided to Milnbank Housing Association tenants.

Routine

Common routine repairs should be reported to the Company as soon as they are discovered. The Company will attend, instruct and carry out as deemed necessary within 5 working days.

Where repairs cost less than £150 per house, these repairs will be instructed without notification to the owner.

Where repairs cost more than £150 per house the Company will notify the owners in writing of:

- The nature of the work
- The total cost
- Their share of the cost

The exception will be in the event of an emergency where there is a risk to persons or the property. These will be attended to within 4 hours.

Owners will be recharged for their share of each common job.

Communication is a very important part of this service. It is essential that owners communicate their wishes and needs to the Company.

Planned Maintenance MPSL planned maintenance programme involves items such as roof inspections, gutter cleaning, drain cleaning, cleaning bin stores etc.

The Company will notify owners prior to the commencement of works detailing the sums involved.

In properties where the Company are majority owners, we will instruct these works. Where this is not the case, owners will be consulted and works will be instructed in accordance with majority decisions.

Private

The Company's in-house inspection and advisory services are available to owners free of charge. Any owner wishing a private repair to be carried out will be required to sign a Mandate.

The Company will not carry out a private repair for an owner who has an outstanding debt owing to the Company.

Requests for Improvement Works will be carried

out at the Company's discretion.

**Emergency
Callouts/Repairs**

An emergency repair.

If an Owner or a tenant of an Absentee Landlord contacts the Company during emergency hours, the Owner or the Absentee Landlord will be re-charged for the call-out and any subsequent repairs and material costs to repair the problem. Owners will be required to sign a Mandate agreeing to pay the costs.

The cost of any call out charge will be advised in April along with your invoice.

**MILNBANK PROPERTY SERVICES LTD IS VAT REGISTERED AND THE STANDARD RATE OF VAT WILL BE ADDED ON ALL REPAIRS CARRIED OUT BY OUR IN HOUSE TRADES; THIS WILL BE BROKEN DOWN ON YOUR INVOICE.
VAT REGISTRATION NO: 927484587**

(10) ESTATE MANAGEMENT

MPSL will ensure that the estate management services are planned, implemented, regularly inspected to the highest possible standard and that estate management issues are acted upon immediately.

All complaints will be treated in confidence and in a professional manner with appropriate action taken. The action may take the form of:

- (a) noting the complaint with no action required
- (b) standard letter sent
- (c) house visit/interview
- (d) involving other agencies e.g. police, social work
- (e) close/committee meetings
- (f) issue warning letters
- (g) legal action

In the case of Estate Management issues and Absentee Landlords the following will apply:

- (a) In the event of a complaint against the tenant of the Absentee Landlord, a letter will be sent to the tenant.
- (b) Should there be no response/action undertaken by the tenant, a letter will be sent to the Absentee Landlord.
- (c) Should there be no response/action undertaken from the Absentee Landlord, the Association will instruct their Solicitor's to send out a letter out-lining the legal obligations of the Absentee Landlord.

A full and comprehensive copy of the Estate Management Policy is available on request or alternatively visit our website where you can download a copy.

(11) ALTERATIONS

Owners proposing to carry out major alterations are required to notify the Company (as a co-owner or property managers) giving MPSL an opportunity to extend services and advice.

Any major alteration to a flat is bound to need permission of some kind or other. Permission is required for any work involving an area that affects the common part of the property, erection or demolition of walls, moving a bathroom or toilet, installing new windows, changing the use of the flat etc. In some respects a Building Warrant or Planning Permission will be required. Where the Common Interest may have relevance, it is appropriate to notify details of proposed alterations to other owners in the property.

(12) COMMUNICATION

MPSL will consult with owners on all factoring issues and hold owners meetings on request to discuss any issues relating to the property. A newsletter informing owners of MPSL activities will be issued twice a year.

Owners can contact MPSL by calling at the office in person, by telephone (response within 2 working days), in writing or by e-mail (response within 5 working days).

The Milnbank Housing Association website has a section dedicated to owners receiving services from MPSL, which contains information on all relevant policies including the complaints handling procedure.

(13) COMPLAINTS

MPSL has a comprehensive complaints resolution procedure. Copies are available on request. Where a complaint against MPSL is not resolved to the satisfaction of the owner, the Property Factors (Scotland) Act 2011 makes provision for owners to refer their complaint and submit an application to the **First-tier Tribunal for Scotland (Housing and Property Chamber)** who will determine whether MPSL have failed to carry out their duty to you as a factor or failed to comply with the Code.

The First-tier Tribunal for Scotland (Housing and Property Chamber) will not accept a complaint until MPSL's complaints procedure has been exhausted.

Contact details for the First-tier Tribunal for Scotland (Housing and Property Chamber), Glasgow Tribunals Centre, 20 York Street, Glasgow, G2 8GT, telephone number 0141 302 5900, e-mail HPCAdmin@scotcourtribunals.gov.uk
<https://www.housingandpropertychamber.scot/>

(14) OWNERS FACTORING AGREEMENT

Each owner is encouraged to sign a factoring agreement. The benefit of factoring agreements is that they confirm in a clear and concise way, the contractual arrangements set out in this document.

At change of ownership, solicitors acting for the new owner will be sent a factoring agreement to be signed immediately to allow our records to be updated accurately.

(15) CHANGING FACTOR

Homeowners can call a meeting at any point to discuss and vote on a change of factor in accordance with the deed of condition attached to the property. In order for a change to go through, a majority decision would be required. In blocks where Milnbank Housing Association owns at least half of the properties it would not be possible to change the factor. In blocks where Milnbank Housing Association does not own a property a majority decision to change would be required.

(16) DECLARATION OF INTEREST

In properties where there are tenants of Milnbank Housing Association then the Association has a vested interest in providing the best factoring service possible. Maintaining the common areas at your property to a high standard helps us to protect the investment that the Association has made in the property and surrounding area.

(17) CONTACT DETAILS

Milnbank Property Services Ltd
53 Ballindalloch Drive
Dennistoun
Glasgow
G31 3DQ

Tel No: 0141 551 8131
Fax No: 0141 550 2060
E-mail: admin@milnbank.org.uk

ESTATES SERVICE SCHEDULE
SUMMER SCHEDULE - APRIL - SEPTEMBER

EVERY VISIT

Grassed Areas

Cut grass front/back gardens and all common areas. All cuttings will be uplifted from site or mulched

Hard Standing Areas

All gardens with complete hard standing areas (no grass) will be brushed and weeds will be kept to a minimum during the growing season

Litter

All litter from front/back gardens and common areas will be cleared and removed

Binstores

All binstores will be checked and kept clean

WINTER SCHEDULE OCTOBER - MARCH

EVERY VISIT

Grassed Areas

Clear and remove all litter, leaves and any other materials from front/back gardens and all common areas

Hard Standing Areas

All gardens with complete hard standing areas (no grass) will be brushed and kept weed free

Binstores

All binstores will be checked and kept clean

EVERY WEEK

Bulk Uplift

Bulk uplifted on a weekly basis

MINIMUM TWICE A YEAR - April/May & August/September

Weedkiller Application

Apply weed killer to all areas

Trees/Hedges/Shrubbery

Cut back, prune and remove debris from site. Keep tidy and weed free

Any plants or shrubs in bud or fruit will not be cut unless causing an obstruction

Any bee activity plants will not be touched

ADDITIONAL SERVICE ON REQUEST - NO CHARGE

Power wash.