



Factoring Policy

Approval date February 2021
Review date February 2024

This policy applies to

- | | | | |
|---------------------------------------------|--------------------------------------------------|---------------------------------------------------|----------------------------------------|
| <input type="checkbox"/> Link Group | <input checked="" type="checkbox"/> Link Housing | <input type="checkbox"/> Link Living | <input type="checkbox"/> Link Property |
| <input checked="" type="checkbox"/> Horizon | <input checked="" type="checkbox"/> Larkfield | <input checked="" type="checkbox"/> West Highland | <input type="checkbox"/> Lintel Trust |

Policy Summary

This policy has been devised to show how the Link group of companies operates property management or factoring services, in accordance with legal and regulatory requirements including the Scottish Social Housing Charter.

Equalities

No equalities issues have been identified in the Equalities Impact Assessment.

Privacy

Data Protection legislation applies to customer records which will be managed accordingly.

Policy Owner
Group Commercial
Director

Review Manager
Lorna Dunsmore

Approved By
Operational Management
Team

Revision History		
Date	Version Number	Comments
28 August 2017	1	
	2	Expanded Debt Recovery

1. INTRODUCTION

This policy has been devised to show how Link operates property management or factoring services.

Link Group Ltd is the overall parent company. Link's Registered Social Landlord partners including Link Housing Association, Horizon, Larkfield and West Highland Housing Association will have access to resources available in the Group to support their provision of high quality, cost effective services.

Each company or RSL providing factoring services is required to maintain its registration on the Property Factors Register as required by the Property (Factors (Scotland) Act 2011.

2. SCOTTISH SOCIAL HOUSING CHARTER (CHARTER), REGULATORY AND LEGAL CONTEXT

The following Charter outcomes, regulatory requirements or legislation relates to this policy:

- the Property Factors (Scotland) Act 2011 which includes compulsory registration.
- the Code of Conduct for Property Factors under the 2011 Act which includes the issuing of a Written Statement of Service to factored owners.
- the requirement to conduct business in a manner that complies with all relevant legislation in addition to the 2011 Act and Code. This covers duties imposed by legislation relating to consumer protection, financial services, consumer credit licenses, title conditions, health and safety, data protection and equalities.
- The Scottish Social Housing Charter standards in relation to Participation, Consultation and Value for Money. This includes reporting the average annual management fee per factored property and percentage of factored owners satisfied with the factoring service they receive.

3. SCOPE

Factoring services cover the following activities:

- advice and information
- provision of legally required Written Statements of Services
- account management
- general estate management
- repairs and maintenance, including services
- building insurance
- resident consultations and owners' meetings
- arrears management

4. PRINCIPLES

The following principles govern the operation of this policy:

- Services will achieve the Scottish Social Housing Charter outcomes for owners in relation to participation, communication, and continually improving value for money.
- Services will comply with the Property Factors (Scotland) Act 2011, associated Code of Conduct and all relevant legislation on consumer protection, financial services, consumer credit licences, title conditions, health and safety, data protection and equalities.
- Services will be financially sustainable for each of Link's registered property factors and affordable to homeowners.

5. OBJECTIVES

The objectives of this policy are to provide:

Communication

- to provide owners with relevant good quality information in accessible formats, including the Written Statement of Services
- to issue detailed information about charges and payment methods via itemised invoices.

Continual Improvement in Delivering Value for Money

- to inform owners about the impact of their feedback on service delivery improvements.
- to use efficient operating systems with direct debit as the preferred payment method and appropriate digital communication.
- to provide efficient repair, maintenance and insurance services, with open and accountable procurement and tendering procedures. These will be in accordance with Link's Procurement Policy, relevant title deeds and in consultation with owners where applicable.

Legal Compliance

- to maintain an accurate portfolio list on the Property Factors Register and to develop and implement a suite of regularly reviewed procedures to ensure legal compliance.

Financially Viable and Affordable

- to have a clear and transparent approach to setting and revising management fees that demonstrates that costs are accurately identified, apportioned, and recovered. Annual reviews of operating costs will inform any management fee changes, which will be notified to owners in accordance with their Written Statement of Services. Proper notice will be given where it is no longer financially viable for Link to continue to deliver a service.
- to properly account for monies held on behalf of owners in floats and separate interest-bearing cyclical maintenance funds where applicable
- where a homeowner is required to pay a float, or contribute to a cyclical maintenance fund, the amount will either be set by the Deed of Conditions or be determined by Link.

Participation

- to give owners the opportunity to participate in our decision-making processes
- to conduct regular customer satisfaction surveys and appropriate scheme specific consultations
- to devise and implement action plans in response to consultation findings

Prevention of arrears and recovery of debt

- to ensure that owners are clear about financial obligations and are given a range of ways to pay, with direct debit as the preferred option.
- to facilitate affordable repayment arrangements where appropriate and signpost owners to relevant agencies where assistance is required.
- to take all appropriate and ethical actions, in keeping with the Debt Recovery procedures and Written Statement of Service, to recover bad debts and prevent the accumulation of high arrears, although legal action will be taken as a last resort where other options have failed. Such debts and arrears represent an unfair burden and cost to other responsible and diligent customers.
- to ensure owners are aware of the potential consequences of non-payment, which can include additional administration charges, legal recovery and substantial legal fees.
- to take appropriate legal debt recovery routes in accordance with procedures, impartially applied, including (but not necessarily limited to):
 - Referral to solicitors or external debt collection agencies
 - Simple or Summary Procedure depending on the level of debt
 - Notice of Potential Liability
 - Inhibition
 - Time to Pay Order

- Earnings, Rent or Bank Account Arrestment
- Attachment Orders or Exceptional Attachment Orders

6. APPROACH AND METHOD

The Senior Management Group in its formal approval of the policy acknowledges that it accepts full responsibility for its implementation. Day-to-day responsibility for the operation of this policy lies with the appropriate directors and managers of the Link group of companies. All relevant employees have a responsibility to ensure that this policy is applied as instructed.

The policy will be implemented using the following approaches:

- to devise procedures for compliance with the policy
- to regularly review and improve procedures
- to provide Written Statements in accordance with the Property Factors (Scotland) Act 2011 and associated Code of Conduct.
- to keep staff informed of policy and procedural requirements, amendments and changes and provide regular staff training on property management issues

7. MONITORING OF THE POLICY

Any matter which demonstrates a serious failure of internal controls should be reported immediately to the Chief Executive.

The following areas will be subject to monitoring:

- feedback from owners on their satisfaction with our services
- benchmarking of average management fees and satisfaction rates with Scottish Housing Regulator published data
- profit, loss, arrears, and operational performance
- adequacy of provision by owners for future costs
- adequacy of insurance cover and risk management
- provision of training and / or information to staff
- compliance with legislation, policy, and procedures

These will be monitored by appropriate managers within each company and/ or function and reported to the relevant director. If any significant issues of concern arise, these will be dealt with by the director who will report such matters to his/ her Board.

Any matter which demonstrates a serious failure of internal controls should also be reported immediately to the Chief Executive of Link Group.

Periodic audits of policy compliance may be conducted by the Internal Auditor and/or the Link Group Strategy & Business Support Team. Audit results will be reported to the relevant Audit Committee.

8. COMPLAINTS AND APPEALS

Link welcomes complaints and positive feedback, both of which provide information which helps us to improve our services. We use a complaint handling procedure (CHP) developed by the Scottish Public Services Ombudsman (SPSO) and the Scottish Housing Regulator.

The CHP allows for most complaints to be resolved by front line staff within a five day limit (first stage), or if the complaint is complex, a detailed investigation will be made by a manager within a 20 day limit (second stage). At the end of the second stage our response will be made by a director. If the customer remains dissatisfied, he/ she may then refer the matter to the SPSO.

The SPSO does not normally review complaints about our factoring service. If a factoring customer is dissatisfied after using the CHP, the complaint may be referred to the First-tier Tribunal (Housing and Property Chamber).

In certain circumstances, title deeds may allow for formal arbitration about disputes in relation to the title deeds, and such matters may also be referred to the Lands Tribunal. Link cannot offer legal advice to owners but can signpost them to relevant sources of advice and information including information about any applicable fees.

At each stage, Link will advise the customer how the complaint should be taken forward and advise which agency would be most appropriate to consider the case.

9. POLICY AVAILABILITY

A summary of this policy can be made available in a number of other languages and other formats on request.

10. POLICY REVIEW

Link Group undertake to review this policy regularly, at least every three years, with regard to:

- Applicable legislation, rules, regulations and guidance
- Changes in the organisation
- Continued best practice

Privacy Impact Assessment Screening Questions

Carrying out a Privacy Impact Assessment [PIA] will be useful to any project – large or small – that:

- Involves personal or sensitive data about individuals
- May affect our customers' reasonable expectations relating to privacy
- Involves information that may be used to identify or target individuals

Please tick the applicable statement(s) below. Will your project involve:

1. A substantial change to an existing policy, process or system that involves personal information Yes No
2. A new collection of personal information Yes No
3. A new way of collecting personal information (for example collecting it online) Yes No
4. A change in the way personal information is stored or secured Yes No
5. A change to how sensitive information is managed Yes No
6. Transferring personal information outside the EEA or using a third-party contractor Yes No
7. A decision to keep personal information for longer than you have previously Yes No
8. A new use or disclosure of personal information you already hold Yes No
9. A change of policy that results in people having less access to information you hold about them Yes No
10. Surveillance, tracking or monitoring of movements, behaviour or communications Yes No
11. Changes to your premises involving private spaces where clients or customers may disclose their personal information (reception areas, for example) Yes No

If you have answered 'Yes' to any of these points, please complete a full Privacy Impact Assessment. If you have answered 'No', you need take no further action in completing a Privacy Impact Assessment.

Equality Impact Assessment Screening Questions

Will the implementation of this policy have an impact on any of the following protected characteristics?

- | | | |
|-----------------------------------|------------------------------|----------------------------------------|
| 1. Age | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 2. Disability | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3. Gender reassignment | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 4. Marriage and Civil Partnership | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 5. Pregnancy and Maternity | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 6. Race | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 7. Religion or belief | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 8. Sex | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 9. Sexual orientation | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

If you have answered 'Yes' to any of these points, please complete a full Equality Impact Assessment. If you have answered 'No', you need take no further action in completing an Equality Impact Assessment.