

written statement of service

AGENCY VERSION



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Introduction

River Clyde Homes is the property factor for your estate as defined within Section 2 of the Property Factors (Scotland) Act 2011. River Clyde Homes is a private limited company (Company Number SC329031) and has its registered office at Clyde View, 22 Pottery Street, Greenock, Inverclyde, PA15 2UZ.

The Written Statement of Services details the service levels and arrangements between River Clyde Homes as property factors and property owners within your scheme.

The Written Statement of Services has been produced in accordance with the requirements of the Property Factors (Scotland) Act 2011 (the 2011 Act) and to fulfil our duties under section 17(5) of the 2011 Act and the Property Factors Code of Conduct ("Code of Conduct"). The Code of Conduct can be found on the Scottish Government website at: <https://www.gov.scot/publications/property-factors-scotland-act-2011-code-conduct-property-factors/>

In accordance with section 7(3) of the 2011 Act we will annually update the Scottish Government register with the properties we are appointed factor of. This register can be found on the Scottish Government website at: <https://www.propertyfactorregister.gov.scot/PropertyFactorRegister/>

River Clyde Homes acts as property factors in schemes in which it also owns one or more property. Should you wish to know the specific ownership proportion we have within your scheme then please contact us on 01475 788909.

Authority to Act

A property factor can be appointed in a variety of ways, including by provision within the title deeds for the property, a decision of the majority of property owners, by custom and practice or by formal business acquisition or merger.

On 03/12/2007 date, River Clyde Homes was appointed as successor to Inverclyde Council at Stock Transfer. Our authority to act as property factors was based upon the title deeds to your property (the Title Deeds). Since 03/12/2007 date, we have acted as property factors on an agency basis as a matter of custom and practice.

From time to time a conflict may occur where the Title Deeds say something different to this Written Statement of Services. Where the Title Deeds conflict with this Written Statement of Services, the Title Deeds will prevail. Where the property Title Deeds conflict with the Code of Conduct for Property Factors (hereafter referred to as the Code), the Title Deeds will prevail. All other parts of this Written Statement of Services on which there is no conflict will continue to apply.

Title Deeds, including title plans, are lodged with the Registers of Scotland and you can contact them to obtain a copy, on payment of a fee, using the following details: Registers of Scotland, Hanover House, 24 Douglas Street, Glasgow, G2 7NQ.

The Title Deeds confirm the area(s) for which you are jointly responsible (the Common Areas). Our authority to act includes the management of the common parts including:

- Routine maintenance contractors
- Planned and reactive repairs and renewals
- Emergency repairs
- Utilities and utility bills (where applicable)
- Major Works
- Statutory Health and Safety Compliance
- Placing Insurance on your behalf

Our authority to act as Property Factors entitles River Clyde Homes to authorise any work or service for non-emergency repairs, up to an amount of £350.00 per property per repair. This is referred to as our delegated authority.

Non-emergency works which will likely exceed this cost will be instructed after consultation and authorisation by the owners. This can be obtained in a variety of ways including at a meeting, or in writing. River Clyde Homes may also require a mandate, or minute of agreement, from owners agreeing the cost and payment in advance of work being instructed.

River Clyde Homes will endeavour to obtain the best possible value for its customers. As a registered social landlord, River Clyde Homes is, in certain circumstances, bound by regulations on procurement and will always act within these boundaries where they apply. In such circumstances, services and repairs will be awarded through a tender process, directly or through a framework. River Clyde Homes will make the decision of which route to use depending on the circumstances.

Emergency repairs that constitute threat to persons or property may be actioned immediately by River Clyde Homes, even if the costs exceed our delegated authority. Where the remedial actions and costs exceed our delegated authority, River Clyde Homes will write to all affected owners informing owners of the emergency repairs. The decision to escalate a repair as an emergency will be made by River Clyde Homes based on the conditions and hazards present.

If your Title Deeds permit you to rent out your property and you decide to do so, it is essential that you keep River Clyde Homes updated with your current correspondence information for billing, general communication and emergencies. Even where a letting agent is employed, owners will continue to be liable for factoring related costs and are required to correspond with River Clyde Homes regarding the factoring issues.

Core Services Provided

River Clyde Homes provide a management service on your behalf. The services described as Core Services relate to the management of the scheme covered by your management fee.

River Clyde Homes reserve the right to withdraw services with immediate effect in the event that owners prevent the progress of work required to ensure the common areas of the property are compliant with health and safety.

Core Services are:

- Access to a 24 hour customer contact centre;
- Instructing routine and emergency repairs on owners behalf;
- Arranging customer invoices in line with title provisions for expenditure incurred on owners behalf;
- Giving customers updates on their account annually and advising of any shared debt within the property which may impact on services;
- Communicating and consulting with owners on repairs exceeding the delegated authority limit;
- Ensuring the property is compliant with relevant legislation and arranging services and contracts to ensure it remains compliant; and
- Meeting with owners or associations to discuss matters arising from the management of the property.

Core services do not include inspection of properties, either routinely or to check on works instructed.

Non-Core Services include:

- Credit Control process after 1st Stage reminder, as owners have a duty to pay on time;
- Works Associated with Property Transfer and solicitor Enquiries;
- Project Management of works exceeding £5,000 inc VAT;
- Arranging Insurance for owners in respect of common parts;
- Providing Copies of Invoices.

Non-Core Services will be arranged at an additional cost to the management fee where required or requested. The level of cost associated with Non-Core Services will depend on the nature of the service provided. Examples of the range of such non-core services are more particularly detailed in the Factoring Section of River Clyde Homes' website.

Maintenance and Repairs Arrangements

Costs associated with maintenance and repairs are shared by each owner in accordance with the Title Deeds for your property. Where the allocation of costs are not detailed within your Title Deeds, and you live in a tenement, allocation of costs will be determined by the Tenement Management Scheme where applicable.

Routine Maintenance

River Clyde Homes may arrange routine maintenance service contracts such as gardening and cleaning services.

River Clyde Homes will hold a ballot where a routine maintenance service would be of benefit to owners, or should an owner request a routine maintenance service. The decision to proceed with a routine maintenance service will be governed by your title deeds or, where appropriate, by a majority decision of owners.

Roof inspections, gutter cleaning, and other forms of maintenance can be provided, where applicable and where scheme funding allows. These works may be instructed up to our delegated authority.

River Clyde Homes will instruct statutory inspections of lifts, emergency lighting testing, fire-fighting equipment, health and safety inspections and other required works including works relating to statutory notices where applicable and in accordance with the individual requirements. Where inspections are compulsory, we will not seek separate authorisation to act but may request that these works are funded in advance of the instruction being instructed or completed.

Routine Repairs

Requests for routine repairs can be made using the following communication methods:

- By Telephone on 0800 013 2196
- By Email to customerexperience@riverclydehomes.org.uk
- By advising your Factoring Officer during a meeting

Emergency Repairs

Emergency repairs are where urgent work is required to common areas to prevent damage, or in the interests of health and safety, and where there is not time to use the normal channels of consultation and decision making. Requests for emergency repairs should be made by calling our Customer Experience Department on 0800 0132196 (free from landlines) or 01475 788887 (low cost from a mobile). Emergency repairs can be reported 24 hours per day, 365 days per year. Our Customer Experience Department can appoint an emergency contractor or escalate the call to the property manager if necessary and during working hours. Emergency out of hours contractors available, are, typically:

- Plumber
- Electrician
- Locksmith
- Joiner
- Glazier
- Drainage
- Roofer

Costs for emergency repairs will be apportioned in line with the Title Deeds, or otherwise, in accordance with The Tenement Management Scheme, among those owners with liability to pay.

Please ensure that any acts of vandalism are reported to the Police. River Clyde Homes can only progress insurance claims for work relating to vandalism if you provide us with a crime reference number, which is given to you by the Police.

Private emergency repairs are the owner's responsibility to arrange and pay. Where emergency repairs are needed to both private and common parts then River Clyde Homes reserves the right to execute the works and charge owners the costs to minimise risk or mitigate further damage or loss.

Response Times

Routine Repairs – Provided sufficient funds are available we aim to instruct routine repairs on the first working day following receipt of notification. If the cost of the repair exceeds our delegated authority spend limit we will communicate and consult with owners as required, otherwise works will be progressed without prior notification.

Emergency Repairs – In order to prioritise emergencies immediately, emergency repairs should be reported by telephone to our Customer Service Centre. In some cases, it may only be possible to “make safe” a hazardous situation within the aimed time scale below depending on the nature of the emergency.

Alterations / improvements – River Clyde Homes will consult the owners to seek decision for works of this nature. Once approved and requested, response times will be communicated.

Major Works

Major works are those where costs exceed our normal authority to act. Such projects may include:

- Communal Painting Scheme
- Structural Repairs
- Mechanical & Electrical replacement
- Extensive roof repair or replacement
- Major Flooring Renewal
- Major Grounds re-design
- Extensive road and car park resurfacing

Major works can result from:

- Common fabric failures
- Title deed requirement (e.g. deeds stipulate communal painting every 3 or 5 years)
- The recommendations of a professional inspection (e.g. a building condition report)
- A recommendation by your Property Manager
- A request from owners

Where costs are expected to exceed £5,000 including VAT, a project manager will be appointed within River Clyde Homes who will oversee the works as a Non-Core Service.

River Clyde Homes will consult with owners prior to commencing any major works. River Clyde Homes may hold a meeting with the owners to outline the works and establish the level of interest in a project. A written ballot may be used to obtain owners decisions. Depending on the provisions within the Title Deeds, major works can only proceed with majority approval, or a particular percentage approval by owners unless significant and immediate health and safety issues prevail or damage will be caused by a failure to act.

River Clyde Homes reserve the right to instruct professionals to provide services that are out with River Clyde Home's remit or expertise. In these cases, suitably experienced firms will be considered and procured, and costs will be split in line with the Title Deeds or included in the overall project cost if a project manager has been appointed.

Once a project has been agreed by owners, sufficient funding must be in place prior to the commencement of the project. This ensures the ability to settle the contractor's invoice. The fees required will depend on the nature and extent of the work required, including specialist input by professionals. Funds can be raised in two ways:

- Gathering of funds: River Clyde Homes will calculate the individual project cost and issue a proposed works invoice to each owner. Typically, only when sufficient funds have been ingathered will a formal instruction be issued to the contractor. River Clyde Homes will determine what percentage of funds will be required to start the process. This will depend on the financial health of the scheme, problems with income recovery and bad debt. Agreed works may not proceed if insufficient funds are ingathered in a reasonable period. In such cases, funds already ingathered will be returned to the owners.
- Use of Sinking Fund - gathering of funds may not be required if:
 - There is a sinking fund in place for the scheme;
 - There are sufficient funds available to cover the cost of the project. (A combination of sinking and ingathered funds may be preferred or required);
 - A competent decision is reached by the owners to utilise the sinking fund; and
 - Where a sinking fund is used, individual invoices will not normally be raised by River Clyde Homes.

In some areas, grants and subsidies may be available from local authorities and trusts. Where a grant or subsidy is available, River Clyde Homes, or the appointed professional consultant, will liaise with the relevant organisations. Grant funding will be administered by the local authority rather than River Clyde Homes.

Financial and Charging Arrangements

Management Fees

An annual factoring management fee will apply to each property in your scheme. This fee will be reviewed on an annual basis.

River Clyde Homes is a not-for profit organisation. As such the management fee will be reviewed each year to ensure the cost reflects the anticipated actual cost for the service in the year ahead. This is provided at a consistent and flat rate for each property type in your scheme.

The fee review process will take into account factors such as: inflation, on-going operational costs (for example postage) and staffing costs.

Apportionment of costs

Each owners' share for ongoing common works and services provided by River Clyde Homes is apportioned in line with the Title Deeds. Where no definition exists, the Tenements (Scotland) Act 2004 will apply, or apportionment will be agreed between River Clyde Homes and owners. The number of properties that contribute towards the maintenance costs for your scheme will therefore be determined in accordance with each owner's title deeds unless otherwise stated. Common works and services include, where applicable:

- Routine maintenance costs
- Planned and reactive repairs and renewals
- Emergency repairs
- Utilities and utility bills (where applicable)
- Major Works
- Statutory Health and Safety Compliance
- Insurance
- On-site staff

Services/works that are not common works and services may incur additional fees and charges, such as major works. We have set out our process for consulting with owners in the scheme and gathering funds/use of sinking funds above.

Float Funds

Your property title does not comment on a requirement to contribute a float. River Clyde Homes may request owners to contribute a float if the scheme is having problems with cash flow which could impact on the ongoing ability to affect repairs by River Clyde Homes not having access to funding to execute the works on your behalf.

Where floats are gathered these will be requested in a standard service charge invoice and unless the Title Deeds state otherwise, in the event of a sale of a property, the float will automatically be credited to the homeowner's final account. River Clyde Homes holds float funds belonging to owners in a non-interest paying bank account, which is separate from any accounts holding River Clyde Homes funds. River Clyde Homes reserves the right to transfer floats into accounts to cover unpaid common charges.

The level of funds held as a float will be reviewed periodically based on ongoing cash flow requirements of the scheme and River Clyde Homes reserve the right to suggest the float be increased or decreased accordingly.

Sinking/Reserve/Contingency Funds

In order to financially plan for major projects, River Clyde Homes may arrange a sinking or reserve fund for the scheme.

Sinking fund contributions are agreed with the Homeowners' Association (or majority of owners) and are charged to the homeowner in the standard service charge invoices.

A statement of the funds held in the scheme's sinking fund can be exhibited at the Annual General Meeting (AGM) or if no AGM takes place, annually by writing or at any time on request. The sinking fund will be held separate from River Clyde Homes funds in an interest-bearing account.

If a homeowner who has paid into the sinking fund sells their property, the amount paid into the sinking fund is not returned to them. The amount should however transfer as an asset with the sale of the property.

The implementation and subsequent use / spending of sinking funds is controlled by the owners. River Clyde Homes may recommend the use of sinking funds for a particular project but cannot enforce such an action without majority agreement.

Invoicing

The factoring invoice is a detailed financial breakdown and apportionment of service charges applied to your account, including payments made during the period detailed on the invoice. All costs, including management fees, are charged in accordance with the Title Deeds or the Tenement Management Scheme, where applicable.

River Clyde Homes will invoice owners either advance annual charges, or quarterly in arrears, with any large or unexpected projects or emergency repairs billed as one-off charges

Owners have a responsibility to ensure River Clyde Homes has accurate contact information. If invoices are sent incorrectly because an owner does not reside at the scheme address or has moved and not notified us, then charges relating to Credit Control may apply.

Sales/Apportionment Process and Fees

When you sell your property, the solicitor acting on your behalf in relation to the sale will write to River Clyde Homes requesting specific information about the common parts and your account. This may include, but is not limited to:

- Repairs in contemplation;
- Repairs instructed but not yet completed, or completed but not yet invoiced;
- Insurance Arrangements Outstanding Debt;
- Major Repairs;
- Valid Guarantees or Warranties;
- Ongoing Treatment Plans.

River Clyde Homes will apportion common charges at the date of sale provided by the seller's solicitor and forward your final account for their attention once prepared. The final account will be available within 3 months to allow sufficient time for recent charges to be included.

River Clyde Homes will charge an administration fee for the provision of this information and the apportioning of common costs between the seller and purchaser. The administration fee will be declared to the solicitor at the point of sale and is reviewed annually by River Clyde Homes.

Payment of Invoices

Invoices will be sent by post unless you have notified us of your preference to receive invoices by email. Payments are due within fourteen days of the invoice date.

Invoices can be paid by various methods including:

- Direct Debit;
- Electronic bank transfer;
- Standing Order by arrangement (additional fee may apply);
- Cheque;
- By telephone to 0800 013 2196.

If paying by direct debit, River Clyde Homes will advise the payment amount required based on typical costs, though these may vary. Direct Debits are typically only accepted on accounts with no debt, or which will be cleared within 12 months including any future payments due.

If paying by standing order, as on-going costs do fluctuate, homeowners must check their invoice and pay any outstanding balance on their account as it falls due, owners can make a one off payment or amend their standing order so that the full amount is cleared by the end of the next quarter.

It is the homeowner's responsibility to adjust regular payment amounts if charges vary significantly over time.

Any disputed items on an invoice should be raised with River Clyde Homes accounts department within seven days of receipt of the invoice. Undisputed items on the invoice must still be paid within 14 days of receipt of invoice.

River Clyde Homes retains any interest accrued on the Client Bank Account. It also pays all charges incurred on the account such as card machine charges, BACS transfers to contractor's accounts etc. For the avoidance of doubt, client account bank charges far exceed the value of interest gained.

Debt Recovery and Credit Control

River Clyde Homes, apply a detailed debt recovery procedure, a copy of our debt recovery procedure is available from www.riverclydehomes.org.uk, or on request. The procedure includes written correspondence from River Clyde Homes, notification from an external debt management company and, ultimately, legal action. Any legal costs incurred in the recovery of debt will be charged directly to the relevant homeowner.

If all available means to recover the debt have been exhausted without success, the outstanding amount may be distributed, as a cost under joint liability, between the remaining homeowners in the scheme.

It is important that each scheme is “in funds” in order to allow continuous delivery of services. If significant debt is accrued and the scheme is consistently short of funds, contractors’ services may have to be suspended until the financial position is rectified. The level of float may also be revisited. Statements for each scheme will be provided, annually, at the AGM, or at other times, if required. No changes will be implemented without first discussing financial concerns with the owners.

Contractors Invoices and Payments

River Clyde Homes settles all contractors’ invoices within 28 days of receipt.

River Clyde Homes invoice you what the contractors charge us for the service they provide. Copies of the contractors’ invoicing can be provided on request, where available, subject to removal of any commercially sensitive information. Copies of the contractor's invoice may be subject to a charge.

Communications Arrangements

General Communication

Good communications between the factor and owner are the key to a successful relationship. General enquires should be directed to our Customer Contact Centre on 0800 013 2196 in the first instance. Our Customer Contact Centre is open 24 hours per day, 365 days per year. In the event that our Customer Service Centre cannot fully address your enquiry by telephone, River Clyde Homes factoring team will return your call within 5 working days.

Contact information for all forms of communication are detailed on the cover of this document. For general requests, (i.e. non-emergency) River Clyde Homes will acknowledge receipt of a communication within five working days of receipt. Timescales for resolution of queries, relevant to the prevailing issues, will be indicated within our acknowledgement.

In all communication with owners River Clyde Homes aim to:

- Provide accurate information;
- Make sure that someone will always take responsibility to follow up and deal with your enquiry if it cannot be answered first time;
- Keep you informed of the progress of your enquiry;
- Maintain all information systems in accordance with the Data Protection Act; and
- Provide a polite, friendly and informative service.

Complaints

River Clyde Homes is committed to providing high quality customer service. However, should a homeowner wish to make a formal complaint, River Clyde Homes’ “Complaints Procedure” is available on our website at www.riverclydehomes.org.uk or by request to the Customer Service Centre.

Our complaints process has two stages;

Stage 1 – Complaints should be directed to River Clyde Homes Dispute Resolution team. Our Dispute Resolution team will register the complaint, appoint a unique reference number to it and provide a response within 5 working days.

This will then be allocated to the member of staff who is responsible for managing the scheme in which you own your property. They will endeavour to respond at the earliest opportunity and should they require additional time to investigate matters, they will write to advise you this.

Stage 2 – Escalated to management - If you are not satisfied with the response received at stage 1, the complaint will be referred to management, a full investigation will be carried out and a response provided within 20 working days. If a response cannot be fully provided in that timeframe, the manager involved will write to advise what timeframe is achievable.

If, after following River Clyde Homes complaint procedure, the homeowner remains dissatisfied, the Property Factors (Scotland) Act 2011 allows homeowners to make an application to the Scottish Government's First-tier Tribunal for Scotland (Housing and Property Chamber) for a determination of whether their factor has failed to carry out their factoring duties, or failed to comply with the Code of Conduct. You can contact them at:

First Tier Tribunal for Scotland (Housing and Property Chamber)
Glasgow Tribunals Centre
20 York Street
Glasgow
G2 8GT

In the event that the Tribunal is required to adjudicate on any matter then River Clyde Homes will comply with the Code under section 14(5) of the Property Factors (Scotland) Act 2011. Decisions made by the Tribunal are publicly available on the website of the First Tier Tribunal for Scotland (Housing and Property Chamber).

Complaints about contractors will initially be dealt with as an enquiry, however should these require to be escalated they will be dealt with in line with our complaints policy.

Insurance

Buildings Insurance - You are required to keep your property insured against such risks as fire or flood in accordance with section 18 of the Tenement (Scotland) Act 2004 and the Tenement (Scotland) Act 2004 (Prescribed Risks) Order 2007 (SSI 2007 / 16) and your title requires that you make available to us a copy of your current insurance cover for our records. River Clyde Homes do not provide buildings insurance as part of the factoring arrangement. However, co-proprietors of buildings part-owned by River Clyde Homes have access to buildings and contents insurance policies available from River Clyde Homes' broker on an individual basis. Those policies are not provided or administered as part of the factoring service provided by River Clyde Homes. River Clyde Homes is not a party to those insurance policies and does not provide any services in relation to them.

Additional Cover - Appropriate insurance cover for common parts such as lifts and play parks will be placed on the Owners behalf, via River Clyde Homes' insurance broker as necessary.

Our Insurance Policy Documentation is available for inspection on request.

Defects Reporting - All significant defects to common parts should be reported to River Clyde Homes urgently. Failure to report defects quickly can result in the insurance provider disputing and repudiating claims.

Declaration of Interest

Any financial or ownership interest that River Clyde Homes has in your scheme will be detailed to homeowners. Where that interest is material or conflicts with any work undertaken for the homeowner, fair treatment will be ensured at all times.

River Clyde Homes may award work to a subsidiary. Should the subsidiary make any profits then these may be gift aided to River Clyde Homes. Any such works will be procured in line with legislation and governance as a registered social landlord and subject to tests on Value for Money.

Regulatory Status and Association

The business operates as a formally registered Property Factor in Scotland, registration number PF000152.

Termination of Appointment

If you want to consider changing your factor, or terminating our services, this process will depend on the basis of our appointment. The details of how our appointment for this development can be terminated are set out in the Title Deeds. If the Title Deeds do not (or no longer) make any specific provision about the termination of the property factor or the appointment of a new property factor, a majority of homeowners with an ownership interest in the Common Areas can vote to remove River Clyde Homes.

Written evidence to illustrate that competent consultation of all owners has occurred must be produced to River Clyde Homes, along with a signed document verifying the decision of each owner.

The standard notice period for termination of appointment is 3 months. No termination charge is applicable when appropriate notice is provided however a shorter notice period is subject to a £45 fee per property within the scheme. This fee will be added to service charge accounts at final reconciliation.

Owners have a period of 14 days to reverse a decision to terminate the factoring appointment. Where owners decide to reverse a decision to terminate the factoring agreement within the 14 day period, no costs are attributed to owners. Where owners decide to reverse a decision to terminate the factoring agreement after the 14 day period, any costs incurred by River Clyde Homes in preparation for termination will be recharged to owners.

Once all bills pertaining to the scheme have been received and processed (normally within 3 months), and a final invoice will be produced for each owner. Any float repayment due will be included as a credit assuming that all individual debts have been cleared. In the event this leaves a credit balance this sum will be returned by cheque.

Any outstanding scheme debt will be distributed, if the property title deeds or common law allows, as a common charge.

Cancellation of longer term contracts / premiums may incur provider penalty charges. Where practicable, contracts will be transferred into the name of the incoming property factor where one is appointed.

River Clyde Homes reserves the right to withdraw from the role as property factor where it is considered appropriate. This may be due to the fact that it is no longer cost effective to manage this estate. If River Clyde Homes terminates the service we will write to all homeowners and provide at least three months' notice.