

## **FREQUENTLY ASKED QUESTIONS**

### **What is factoring?**

Factoring is a Property Management Service offered to property owners to co-ordinate and carry out work on their behalf in respect of repairs, improvements, maintenance etc for common parts and ground (e.g. roof, hallways, stairs, parking, garden, common ground etc). The Factor consults with owners as to ongoing maintenance, repair and works required and deals with day to day repairs and emergency repairs. The Factor will obtain quotes from contractors for major works repairs. There will be a property management fee and administration charge for these services.

### **Why should I join a factoring service, what's in it for me?**

A factoring service will ensure that your property is properly looked after. It will protect your biggest investment, your home. Factoring should reduce the cost of maintenance by sharing costs amongst your neighbours – where relevant. A factoring agreement is a contract between parties for the delivery of a service which has terms and conditions providing clear understanding and explanation. Works will be done on your property as and when necessary rather than a more costly emergency repair.

### **I don't want to join a factoring service, do I have to?**

It depends on what your title deeds say as, in some cases, it was a burden imposed on you in your deeds. The majority of owners in your block may also wish to join the factoring service and it will be essential for all owners to be in agreement before it can be implemented. If your property is not included in the factoring service it will then be up to you to consult with your own neighbours to carry out any works required. ACHA will have an input if they own one or more properties in the development and works will need to be carried out by their approved contractors.

### **How much are you going to charge for factoring?**

The actual costs and charges are in the process of being finalised however the management fee will be competitive and can be paid quarterly. The administration fee for factoring will be a large reduction against existing fees charged for emergency repairs and maintenance.

## **Can you factor our building now?**

There are over 4,500 privately owned properties in Argyll & Bute and it will be necessary to phase in the factoring service a block at a time. Some properties will be identified as pilot schemes and once we are satisfied that they are up and running properly new blocks will be taken on until the service has been offered to the whole of Argyll & Bute. We may not be in a position to factor your property immediately but will note your preference and try to include it as soon as possible (if you make this known to us).

## **What is a property management fee?**

This is a fee due to the Association to manage your block and common areas, consult with owners, keep and maintain accurate records of money received from owners, accounts paid, issue invoices to owners, provide a repairs freephone number, offer advice and communicate with neighbouring owners on your behalf.

## **What is an administration fee?**

An administration fee is only due if any works are instructed. The administration fee covers the administration, time, correspondence and telephone call of arranging repairs and maintenance and will be payable as a percentage of the final invoice due for the repair or maintenance work done.

## **If I am paying a management fee why am I also being asked to pay an administration fee?**

The management fee covers the general factoring, communication, keeping detailed records, invoices etc by the Association as stated in 6 above and the administration fee is for work involved in administering specific repairs and maintenance as stated in 7 above.

## **What is a factors float?**

An amount of money lodged with ACHA at the outset of factoring. The float will cover any minor works instructed and the quarterly statements will request that owners repay the cost of the repair to "top up" the float so that it remains at the same level. The float is refunded to owners as and when they sell the property – less any sums due for repairs etc.

## **Grounds maintenance charge, what is it for?**

There may be common ground which is owned by a number of private owners along with tenants. This could be grass, playparks, parking areas, private roads, pathways etc. As owners have a share in ownership of these parts they are responsible for paying for these along with all other owners. The charge for grounds maintenance will be calculated according to the actual cost of maintaining the areas relevant to your property.

## **What is a service charge?**

The service charge is for services to a property shared by all owners. For example stair lighting, external common lighting, lifts, private septic tanks, private water supplies etc. The charge will be calculated according to the actual cost for your block or in the case of sewage or water supplies the number of properties served by the system and divided amongst all owners and tenants. The charge will only be payable where services apply to your property (eg if connected to a public sewer then no charge).

## **How much will I have to pay for repairs?**

The cost of repairs will vary according to what is needing done. The Association has contacts with a number of contractors whose standard of service is approved by the Association and have been selected because they represent best value. Any works which the Association expects will cost more than £250 per flat/house will be intimated to owners and you will have 14 days to contact us if you have concerns about the estimate, failing which we will arrange for the work to proceed.

## **Stair cleaning, how would this work?**

Stair cleaning would be very much dependent on whether owners wanted us to find out costs involved for cleaning stairs in a specific block. It would also be necessary for tenants to agree to contribute towards this as it is not a service currently provided by ACHA. If everyone is in agreement then we would arrange cleaners through the factoring service and add the costs to the quarterly invoices and invoice the Association's tenants accordingly. Owners and tenants would need to agree on the frequency of cleaning and the required standard.

## **Does my Council tax not cover grass cutting?**

It is our understanding that Council tax is charged for the services it provides to residents throughout Argyll and Bute. Common areas of ground are not owned by the Council and they have no obligation to maintain them.

## **If we don't instruct work, why should it be our responsibility to pay for it?**

ACHA has an obligation to its tenants to maintain common grounds. When we cut the grass private owners benefit as well as tenants. As it benefits both owners and tenants the costs are shared even though you did not instruct the work. Any costs would be for people to cut and remove grass, weedkill paths, repair holes in private roads or parking areas, tidy up common ground or any other works that needed to be instructed to common ground.

## **I am not happy with the service given previously for grass cutting and do not think the grass was cut regularly or well enough to justify paying for it.**

We rely on tenants and owners advising us if they are not satisfied with a service and this should have been intimated to us at the time. In the future if you feel that the job is not being done correctly please advise your local area office so that they can rectify any problems as and when they arise.

## **There is nothing in my title deeds to say I have to contribute to grass cutting or maintenance of other common parts so I shouldn't have to pay.**

It all depends on what your titles say and whether you have a legal obligation to contribute through having a right of ownership – which may not be specifically mentioned in your titles. If your title says you have access to a particular piece of ground then you will be obliged to pay towards its upkeep.

## **Can my neighbours and I cut the grass ourselves in the future?**

Yes, provided it is done regularly and subject to the information below. If you do not maintain the grass in a neat and tidy condition then the Association may decide to

tidy up the area and invoice you accordingly (together with an administration fee for doing this work).

**If we maintain the common ground ourselves can we bill you for your tenant's share?**

We would need written proposals of your intentions, frequency, work required, who will be doing it etc. Any work would have to be by competent contractors (with the appropriate insurances) which we may need to approve and work may be inspected by us before we would agree to contribute on behalf of our tenants, i.e. the reverse of what we would do for you under the factoring agreement.