

## **WISHAW AND DISTRICT HOUSING ASSOCIATION**

# **PROPERTY MANAGEMENT (COMMON PARTS) POLICY**

**As with all the Association's policies and procedures, this document, where required, can be translated into other community languages on request. For people with visual impairment, taped, large print or Braille versions can also be provided. Further information on the implementation of this policy is available at the office.**

Wishaw and District Housing Association acknowledges that, under the Housing (Scotland) Act 2001, it is required to consult with residents on policies that directly affect the management of the properties. The consultation process on the Property Management (Common Parts) Policy took place during December 2006 and the end of February 2007.

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## **1.0 INTRODUCTION**

Through the Right to Buy legislation, stock transfers and Low Cost Home Ownership initiatives such as Shared Ownership, Wishaw and District Housing Association now operates in mixed tenure areas. In areas where we have been appointed as the Property Manager (or Factor) the Association has a dual role of landlord and Property Manager and has an obligation to act on behalf of all residents to ensure that the common parts of buildings and all common areas are managed and maintained to the highest possible standard.

In providing a property management service, the Association seeks to ensure that a building or area is not allowed to deteriorate or to become an unattractive place to live. In doing so, the Association also seeks to protect its investment in both the stock and the environmentals.

The Property Management (Common Parts) Policy is intended to outline the responsibilities of both the Association as Property Manager and the owners living in an area managed by the Association. It is also intended to provide guidance to staff who implement the property management service on behalf of the Association and to owners who receive the service.

## **2.0 AIMS & OBJECTIVES**

- 2.1** The primary aim of the property management service is to ensure that the Association's interests in an area and those of all residents are protected and that common areas are maintained to the highest possible standard.
- 2.2** Within that primary aim it is an objective of the property management service to ensure that the condition of the Association's property is preserved, thereby protecting our investment.
- 2.3** The Association will liaise as necessary with other organisations and statutory bodies that have maintenance responsibilities within the area managed by the Association.
- 2.4** The Association aims to provide a good quality living environment for all residents
- 2.5** Through the tendering process and appointment of contractors from the Association's list of approved contractors, the Association aims to provide a cost effective service that represents value for money for both the Association and other residents.
- 2.6** All residents shall be encouraged to take 'ownership' of their own area and work with the Association in maintaining it.
- 2.7** By implementing an effective property management accounts system and efficient debt recovery, the Association will seek to maximise its income and promote an awareness of owner's responsibilities.

## **3.0 LEGAL REQUIREMENTS**

### **3.1 Legislation**

In all aspects of the property management service the Association will ensure that it meets all legal requirements as provided by statute, including;

- The Land Tenure Reform (Scotland) Act 1974
- The Conveyancing & Fuedal Reform (Scotland) Act 1974
- The Land Registration (Scotland) Act 1979
- The Housing (Scotland) Act 2001
- The Abolition of Feudal Tenure etc (Scotland) Act 2000
- The Title Conditions (Scotland) Act 2003
- The Tenements (Scotland) Act 2004

In providing a property management service the Association will also comply with all applicable guidance and good practice and in particular will endeavour to meet standards set in the Performance Standards For Registered Social Landlords.

The Association will also seek to apply all relevant decisions made by the Lands Tribunal for Scotland.

### **3.2 Deed of Conditions**

As far as possible, the Association will use the same format Deed of Conditions for all areas although it is recognised that the deed may require small amendments to reflect particular requirements within a particular area. Furthermore it is noted that, historically, the Deeds for areas transferred to the Association in 1996 from Scottish Homes under the voluntary stock transfer deviate from those drawn up as part of the conveyancing process for non-transferred properties bought directly from the Association. Also, many of the refurbished tenement properties within our stock have Deed of Conditions dating back many years.

The Deed will remain in force irrespective of sales of individual properties and will only be altered after consultation with the relevant owners.

### **3.3 Property Management Agreement**

Where deemed appropriate and applicable the Association will encourage owners in an area to formalise the contract between themselves and the Association by signing a Property Management Agreement summarising the terms and conditions of the property management service we will provide.

#### **4.0 THE ASSOCIATION'S ROLE AS PROPERTY MANAGER**

The Association's role as the Property manager is to satisfactorily maintain the common areas. We will arrange and oversee the maintenance, repair and any agreed improvements required to these areas. This includes maintaining, reviewing and implementing a cyclical and planned maintenance programme for areas under our management.

The Association has, through the Deeds of Conditions, delegated authority to instruct repairs where it judges these necessary for the maintenance of the common areas. Where the Deed of Conditions specifies a repairs cost limit per property any repair costing less than the specified amount can be instructed without the prior consultation or approval of owners. Any repair exceeding the specified limit will only be instructed by the Association after the necessary consultation with other owners, as specified in the Deed of Conditions.

Where deemed appropriate and where a provision exists in the Deed of Conditions, the Association shall hold and manage a repairs float to fund the payment of contractors. The Association will also hold and manage any voluntary contributions made to the Cyclical Maintenance Savings Fund.

The Association will issue an annual Property Management Account to owners and will be accountable for any expenditure incurred on their behalf. Outstanding debts will be recovered in line with our Property Management Debt Recovery Procedures and the Deed of Conditions.

The Association also has a responsibility to enforce the obligations, prohibitions on use of property or other burdens contained in the Deed of Conditions and to take appropriate action on any infringements. It should be noted however that the Abolition of Feudal Tenure (Scotland) Act 2000 has greatly reduced the Property Manager's role in areas where the Feu Superior style Deed of Conditions was in place.

#### **5.0 THE PROPERTY MANAGEMENT SERVICE**

To meet its responsibilities as Property Manager, the Association will seek to provide a comprehensive maintenance service to all common areas.

##### **5.1 Maintenance Services**

There are six main categories of maintenance that can be recharged as part of the property management service;

### **5.1.1 Service Charges**

Service Charges will, in most areas, be made up by costs incurred under the landscaping contract for common areas. Charges may also be made for other services such as;

- Common Electrical Supply – A common electrical supply may be provided for items such as stair lighting, door entry systems, rear court lighting, etc. Charges made to residents will be based on invoices received throughout the year from the supplier.
- Stair and Bin Store Cleaning – Where appropriate, the Association may provide cleaning services.

### **5.1.2 Common Repairs**

In the main these will be day-to-day repairs carried out in common areas such as repairing damaged boundary fences, replacing missing tiles/slates on common roofs, cutting back overhanging or overgrown trees, etc.

### **5.1.3 Cyclical Maintenance**

Cyclical repairs are those carried out to common areas on a regular basis over a fixed period of time in order to prevent the property deteriorating or falling into disrepair. Types of works covered would include cleaning gutters and painting common areas.

### **5.1.4 Planned Maintenance/Improvement Works**

The Association will maintain a programme of major works that require to be carried out to replace, maintain or improve common areas.

### **5.1.5 Emergency Repairs**

Where a defect in a common area constitutes a risk to the health and safety of residents or where there is a risk of further damage to the fabric or structure of the property, the Association will instruct the repair work as an emergency. In these circumstances, any financial limit specified in the Deed of Conditions will not apply.

### **5.1.6 Private Repairs**

The Association will consider carrying out repairs to an owner's private property at the written request of the owner. The provision of this service will be at the Association's discretion and will normally only be provided on social grounds (e.g. to assist elderly or disabled residents).

The cost of works carried out on behalf of an individual owner will only be recharged back to that owner.

## **5.2 Inspections**

As part of our estate management remit, officers from the Association will carry out regular inspections of buildings and areas to check on their general condition and to note any repairs or improvement works required.

## **5.3 Supervision**

The Association will supervise and monitor the performance of contractors employed to carry out works to common areas and, where possible, will inspect works on completion.

Where an owner is dissatisfied with any work carried out by a tradesman employed by the Association we will investigate that complaint and, if necessary, arrange to have the work redone to a satisfactory standard at no extra cost to the residents.

All accounts submitted by tradesmen for works carried out to common areas will be checked for accuracy in terms of the time taken, the materials used and the labour charges.

## **5.4 Instructing Works & Issuing Contracts**

Works will only be instructed to contractors on the Association's approved list unless;

- There are no suitable contractors on the list
- In an emergency, no contractor on the list can attend within the required timescales

In order to ensure continued value for money and the highest standards of service and workmanship, the Association's list will be reviewed annually in line with the policy on the Selection of Contractors.

Where applicable, contracts will be put out to tender in line with the Association's Tendering Policy and Procedures.

### **5.4.1 *Notification of Works***

#### **5.4.1.1 *Planned and Cyclical Contracts***

The Association will maintain a minimum five-year programme of major planned and cyclical works. Where these works will incur a high cost for owners, the Association will endeavour to provide early notification thereby allowing owners to plan their finances accordingly.

Where the Association's planned or cyclical contracts do not include owned properties but where the works may be beneficial to owners, the Association will, where practical, notify owners of the details of the contract in their area.

Any arrangement made between the contractor and an individual owner is strictly a private arrangement and the Association has no responsibility for the cost agreed and/or the quality of the work carried out on the owner's property.

#### **5.4.1.2 Common Repairs**

Although not required under the terms of the Deed of Conditions, the Association will, as a courtesy, endeavour to notify owners of any common repair that is due to be or has been carried out where the cost to an individual owner is/is likely to be in excess of £50.00. This is not intended as a consultation exercise but simply to give prior notification that the cost of the work will be included on their next invoice, in order to allow owners to make suitable financial provision.

### **5.5 Buildings Insurance**

Under the terms of their Deed of Conditions, owners may be required to insure their property and the common parts of their building through a common Buildings Insurance policy. As Property Manager the Association will ensure that all owners in this situation are included in our common policy.

The Deed of Conditions for properties transferred to the Association from Scottish Homes in 1996 requires these owners to arrange their own buildings insurance. However, the Association will invite all owners to participate in the Association's common buildings insurance policy.

Under their Occupancy Agreement sharing owners of the Association are required to participate in our common Buildings Insurance policy.

### **5.6 General Management Services**

Under the terms of the Deed of Conditions the Association, as the Property Manager, may have other management responsibilities including, but not exclusively;

- Approving structural or external alterations
- Granting permission for pets
- Granting permission for a business to be run from a property
- Monitoring the use of the property
- Monitoring the conditions of gardens
- Neighbour Disputes\*

**\*N.B. Where at least one of the parties involved in a neighbour dispute is a tenant of the Association, the Association will endeavour to assist in resolving the problem. However, the Association's involvement may be limited as it has little jurisdiction over the actions and behaviour of owners.**

**Where the dispute involves owners exclusively it would be inappropriate for the Association to intervene and residents will be advised to seek other avenues for resolving the dispute unless there has been a clear breach of the Deed of Conditions and the Association has a clear responsibility over this breach as the Property Manager.**

## **6.0 ROLE OF OTHER AGENCIES, ORGANISATIONS AND STATUTORY BODIES**

Most of the roads, pavements, footpaths, car parks and stairways within areas managed by the Association will have been adopted by North Lanarkshire Council and are the Council's responsibility to maintain and repair.

Repairs reported directly to the Association will be forwarded to the Council on behalf of the residents and Association staff will liaise with the appropriate council department to ensure that repairs are carried out as quickly as possible.

Any other repairs, problems or complaints made to the Association that are our responsibility as the Property Manager will, where possible, be passed on to the appropriate agency or organization. Alternatively, advice will be given to the complainant to help them take their complaint to the appropriate body.

## **7.0 OWNERS RESPONSIBILITIES**

### **7.1 Costs**

Owners are collectively responsible for the cost of the repair, maintenance, renewal and insurance of common areas.

The common areas will be specified in the relevant Deed of Conditions and Title Deeds to each property and the common charges payable by each owner are based on an equal share of the costs incurred. Where a service or repair is only relevant to a specific number of residents (e.g. door entry system, stair cleaning) the costs will be shared by those residents.

### **7.2 Proprietors Meetings**

Procedures for calling owners meetings, voting arrangements and the rules for the implementation of decisions are contained within the Deed of Conditions.

### **7.3 Reporting Repairs**

As all residents have a shared interest, each has an obligation and responsibility to report common repairs as soon as possible to the appropriate body. Where repairs are not the responsibility of the Association as the Property Manager, residents will be directed to the responsible agency. Where appropriate, the Association will pass on reports to the responsible agency on behalf of residents and liaise with that agency to ensure that any work required is carried out as quickly as possible and to an acceptable standard.

Criminal acts such as vandalism should be reported, in the first instance, to the Police but should also be subsequently reported to the Association.

## **8.0 PROPERTY MANAGEMENT COSTS**

### **8.1 Deposits/Floats**

The Deed of Conditions may allow the Property Manager to collect a deposit/float per property from owners that would be held in order to fund the payment of contractors.

The deposit/float would be payable when the owner takes possession of the property and would normally be refunded on it's sale. Any arrears on the property management account at the time of sale would be deducted from the deposit/float.

### **8.2 Management and Administration Fee**

The Association will charge a fee to owners to cover the management and administration costs we incur in carrying out the role of Property Manager.

This charge will be set by our Board of Directors and reviewed regularly. Fees will increase annually in line with the percentage increase in rental charges, also set by the Board of Directors.

The Management and Administration Fee is intended to cover the cost of employing staff in;

- Preparing and issuing tenders and contracts
- Supervising and monitoring contractor performance
- Inspecting common areas and arranging common repairs
- Liaison with external agencies on residents' behalf
- Administering the property management service, including the common buildings insurance policy
- Checking, processing and issuing invoices
- Monitoring and actioning arrears recovery on property management accounts
- Corresponding with owners as necessary

### **8.3 Buildings Insurance**

The costs recharged to owners will be based on the annual premium set by the Association's insurers and on the type and size of the owner's property.

The Association also reserves the right to charge an additional administration fee for administering this service on behalf of owners.

### **8.4 Common Repairs**

The costs incurred in carrying out repairs to common areas will be apportioned between residents as per the terms of the relevant Deed of Conditions and Title Deeds.

### **8.5 Planned/Cyclical Maintenance**

Owners will be charged for a proportion of the total costs of any planned or cyclical maintenance works carried out to common areas as per the terms of the relevant Deed of Conditions.

These common charges will normally be included in their annual property management account, although the Association may issue interim invoices for this type of work where deemed necessary.

### **8.6 Cyclical Maintenance Savings Fund**

In recognition that some planned and cyclical maintenance works can be expensive and that owners may have difficulty meeting these high costs, owners may choose to contribute towards a Cyclical Maintenance Savings Fund.

The Fund is intended to act as a 'savings account' and monies saved can be used towards payment of a high property management account.

Contributions are held by the Association in a non-interest bearing fund. Residue contributions will be refunded should the owner sell their property.

### **8.7 Service Charges**

All residents in an area as per the terms of the relevant Deed of Conditions will be charged a share of the costs incurred in providing maintenance services to the common areas.

### **8.8 Debt Agency Fees**

Where the Association has incurred costs by referring an owner to a debt recovery agency, these costs shall be recoverable from the owner concerned only.

## 9.0 PROPERTY MANAGEMENT ACCOUNTS

### 9.1 Issuing of Accounts

Property Management accounts will normally be issued, at least, on an annual basis or, if high costs are involved, within a period deemed appropriate by the Owner Services Officer.

Where an individual planned/cyclical contract incurs an exceptionally high charge for owners, the Association may, at its discretion, issue an interim invoice at any time during the financial year. Any interim invoice issued will be in addition to the annual invoice.

All invoices will be issued in line with the Association's Property Management Invoice procedures.

### 9.2 Payment of Accounts

#### 9.2.1 *Due Date*

Payment will be due within 30 days of receipt of the account.

#### 9.2.2 *Payments Arrangements*

The Association recognises that some owners may find it difficult to make full settlement of an account within this 30 day period and will, therefore, consider entering into a payment Arrangement with owners, on request. Repayment arrangements must be agreed with the Association within 30 days of the accounts being issued

Any arrangement should ensure that the account is cleared by the end of the current financial year where possible.

In very exceptional circumstances the Association may offer owners an extended payment arrangement. This facility will be offered entirely at the discretion of the Association and will normally only be considered where;

- Exceptionally high costs to individual owners have been incurred AND/OR
- Circumstances did not permit a reasonable period of notification to be given thereby allowing owners to make adequate financial provision for the cost of repairs

Even in exceptional circumstances any payment arrangement should not last longer than three years.

### **9.2.3 Method of Payments**

All owners will be issued with a yellow Allpay swipe card and payments can be made using the card at any outlet displaying a Paypoint or Payzone logo.

Payments may also be made by;

- Direct Debit
- Standing Order
- Internet Banking
- Telephone Banking
- Personal Cheque

### **9.3 Debt Recovery**

Where there is no agreed repayment arrangement in place, any outstanding balance in an owner/sharing owners' property management account will be viewed as an arrear at the end of the 30 day period. Any arrears on Property Management Accounts will be recovered in line with the Association's Property Management Debt Recovery Procedures.

### **9.4 Arrears Target**

When setting the Association's internal performance target for Property Management arrears, consideration will be taken of past performance and the current peer group average and sector median figures published as part of the Housing Regulator's analysis of each year's Annual Performance and Statistical Returns from all Scottish Registered Social Landlords.

The current figure set by the Association's Board of Management is 15% of the Property Management Invoices charged in that financial year.

### **9.5 Withdrawal of Services**

The Association reserves the right to refuse to provide any services other than those it is legally obliged to provide as Property Manager to owners that persistently refuse to pay their Property Management account on time, accrue substantial arrears in their account and/or consistently fail to co-operate with the Association in keeping their account clear.

## **10.0 DELEGATED AUTHORITY**

Staff will be given delegated authority and responsibility for the practical day-to-day operation of the Property Management service and in particular will be responsible for;

- Agreeing an appropriate Deed of Conditions with the Association's solicitor
- Carrying out the role of Property Manager in each area, as per the terms of the relevant Deed of Conditions
- Ensuring all management standards are met and adhered to

- Compiling, issuing and maintaining Property Management account records
- Implementing debt recovery procedures
- Consulting with and issuing relevant information to owners
- Administering and updating a comprehensive common buildings insurance policy
- Maintaining a buildings insurance register
- Maintaining comprehensive property records

## **11.0 COMPLAINTS AND THE RIGHT OF APPEAL**

All owners receiving a Property Management service from the Association have the right to make a complaint about the services received or to appeal against any decision made by the Association in relation to the service, the implementation of the policy or accounts issued.

Owners also have the right to make a complaint if they feel aggrieved at the treatment they have received during any dealing with staff members.

Formal appeals and complaints will be dealt with in accordance with the Association's complaints procedures. In line with these procedures, owners ultimately have the right to have their appeal or complaint referred to the Association's Complaints and Grievances Committee.

A copy of the Association's Complaints procedures is available from the office on request.

## **12.0 RISK ASSESSMENT**

The Property Management (Common Parts) Policy is intended to avoid the following risks;

- Properties of the Association being allowed to deteriorate or reduce in value or demand due to the surrounding land or buildings not being maintained by other owners.
- Damaging the Association's reputation as an organisation that provides pleasant and attractive places to live.
- Compromising the Association's financial position by failing to collect monies owed by owners for Property Management services provided.
- Tenants of the Association subsidising services to owners through the use of rental income to pay for staff time spent on providing a Property Management service.
- The Association not being recognised as having a legitimate right to provide a Property Management service within an area.
- Owners feeling that they are paying for a service where they do not receive or that does not represent value for money.

### 13.0 REVIEW OF THE POLICY

The full Property Management (Common Parts) Policy will be reviewed at least every three years. However, elements of the policy may be reviewed within that timescale if required.

### 14.0 CONSULTATION

The Association will seek to carry out a consultation exercise prior to final approval being given for any proposed review and/or amendment to the Association's Property Management (Common Parts) Policy and, where appropriate will seek comments and views from interested and affected parties. All comments and views formally expressed and notified to the Association as part of the consultation exercise will be for considered prior to final implementation.

However, in order to allow the Association to provide as high a standard of services as possible the proposed reviewed and/or amended policy may be implemented as an interim policy during the consultation period, pending final approval.

#### **Document History**

First adopted by Management Committee	-	6 March 1993
First revision by Management Committee	-	2 August 1995
Second revision by Management Committee	-	25 May 1999
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Fourth revision by Board of Directors	-	8 November 2005
Insertion of Clause 9.5	-	2 November 2006
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Written by EL