

# Statement of Services



## Macfie & Co Management Services

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PROPERTY FACTORS REGISTRATION NO. PF000098



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## Statement of Services - Macfie & Co. Management Services

**Macfie & Co Management Services is incorporated under the Companies Act (SC084796), having its registered office at 5 Cathkinview Road, Mount Florida, Glasgow, G42 9EA.**

The firm was established in 1983, after amalgamation of several firms of traditional Glasgow Factors. The name Macfie has been synonymous with 'House-Factoring' in Glasgow since 1870. The firm is a wholly-owned subsidiary of the partnership of Macfie & Co. The partners are Graeme Dickson & John Walker, who are also directors of 'Management Services'.

Aside from the partners, there is a salaried director, seven property management staff, supported by a further seven clerical staff. The firm carries full Professional Indemnity insurance, which accords with RICS requirements.

We have been based at Cathkinview Road, Mount Florida, Glasgow, since 1988. We manage a wide range of multi-occupancy properties, located predominantly in the West of Scotland.

Our hours of business are Monday to Friday, 9am to 5pm.

### Communication

**Telephone calls** – When calling our office, please assist our reception staff by clearly providing your name and the matter you are calling in connection with. If the person who will be dealing with your enquiry is unavailable, you should request either to speak to another member of staff or to be put through to voicemail. We endeavour to return all telephone calls within one working day.

**Emails** – We will reply to emails within seven days. Any urgent matter should be directed to our main email address, [manager@macfie.com](mailto:manager@macfie.com). It is recommended you alert us to any emergency requirement by telephone.

**Letters** – We will reply to letters within seven days. If the person who would be dealing with your letter is not at business, we will write to you to advise you.

**Meetings** – We are happy to meet with clients either at our offices or at another location, by prior arrangement.

### Definitions

'Owner' means the Proprietor of heritable property of any part of a development which is or could without substantial alteration be occupied as a separate subject and includes the owner occupier of any such part which is let or is occupied and where there is a communal burden stipulated within either the Property Title Deeds or within Prevailing Legislation.

'Quorum' means the minimum number of Owners as specified in the Title Deeds or Deed of Conditions who may take decisions on property matters which are binding on all Owners (whether present or not) based on a majority of those attending or represented.

'Factor' means a person or company acting on behalf of Owners to undertake communal maintenance, repair and to arrange insurances, insofar as instruction and funding has been provided by Owners to do so, having regard to Title Deeds and Prevailing Legislation.

### The Appointment of the Factor

Within the back-drop of the law of agency in Scotland, the Factor is bound by prevailing legislation relating to communal maintenance and in providing any service, must take cognisance of all legal aspects affecting the service provided.

The Factor must adhere to the relevant Title Conditions governing the property which are generally enshrined within the Deed of Conditions and/or relevant Disposition, documents which form part of a Property's Title Deeds. The Title Conditions (Scotland) Act 2003 and The Tenements (Scotland) Act 2004 also have significant bearing, particularly where the Title Deeds for a property are silent on certain matters.

Subject to the rights of Owners in relation to their own premises, the common aspects of the property will be managed by a Factor appointed by the property Owners.

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Authority would arise when Owners forming a Quorum in respect of a building or development appoint the Factor to perform communal maintenance on their behalf. Authorization may be expressed in the form of a contract or implied, because what is said or done make it reasonably necessary for the Factor to assume the powers of an Agent. The Factor's appointment would continue either on a 'rolling' basis or be subject to review from time to time. Actual Authority would be held within the context of the law of agency.

All the Factor's actions, falling within the scope of the authority given, would bind the Owners. Assuming the Factor has acted within the scope of actual authority given, the Owners must indemnify the Factor for outlays made during the course of the relationship, whether the expenditure was expressly authorized or merely necessary in safeguarding the collective interests of the Owners.

Where the Factors have identified themselves to a Third Party (Contractor or otherwise) as having Actual Authority, acting on behalf of disclosed principals (The Owners), the Factor would not have liability for acts performed within the scope of such authority - Liability would be borne by the Owners.

Successive Owners would be bound to participate in the communal managing arrangement either in terms of the Titles or Prevailing Legislation.

### **The Factor's Remit**

Our remit encompasses administration of communal maintenance and insurance as prescribed by the Title Deeds for the property, failing which, prevailing legislation applicable to communal property.

We service communal responsibilities on behalf of the Owners, insofar as sufficient instruction and funding is in place. The proportionate shares of outlays are recouped from the Owners on the basis of the share allocations specified within the Title Deeds governing the property.

### **Subject to the above, we will undertake the following services for factored properties:**

- **Instruction of communal repairs**
- **Instruction of routine communal maintenance**
- **Implementation of common buildings insurance**
- **Undertaking periodic property inspections**

### **The Owners' Remit**

Decisions by the Owners to appoint a Factor, to terminate such an appointment, to authorise or approve repairs, maintenance or renewals or other works, operations or actions relating to the Development or to instruct the type and amount of insurance cover shall be made in accordance with the relevant terms set out in the Title Deeds for the Development, failing which, under the Tenement Management Scheme or if the Tenement Management Scheme does not apply, under the applicable law, failing all of which, by a majority in number of the Development Owners each of such Development Owners having one vote for each Flat owned. The Owners are bound to meet all expenses arising thereto in the applicable proportion.

Where two or more persons own the Property or a Flat, any obligations under this Agreement are undertaken by them jointly and also separately as if each were the sole owner of the Property or Flat.

### **Reporting a Common Repair**

Repairs should be promptly reported in the first instance to Macfie & Co. Management Services by telephone on 0141-632-5588, by letter, in person to: 5 Cathkinview Road, Mount Florida, Glasgow, G42 9EA or by email: [manager@macfie.com](mailto:manager@macfie.com).

Emergency repairs required outside normal business hours should be reported directly to the contractor using the numbers provided when calling our normal office number out of hours. Emergency call-outs for communal works, together with temporary repairs, incur charges that will be re-charged to the Owners within the block. Your share of costs for any repairs would be billed to you, following completion.

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## Common Repairs

The Factor has authority on behalf of all the Owners to instruct and have carried out repairs and maintenance to the common parts of the property, provided that the anticipated cost of any one item at the time when it is instructed will not exceed £500 or such other sum as shall be agreed between the Factor and the Owners from time to time. Works falling within the threshold would be carried out without prior consultation with the Owners.

If the anticipated cost of any such item exceeds the above sum, it shall be instructed and carried out only when the work has been approved by a majority of the Owners, after submission of an estimate or estimates by the Factor and the Factor has been put in funds by the Owners to the full amount of the estimated cost.

It shall be within the Factor's discretion to instruct works at a cost exceeding £500 if they consider the expense to be justifiable on grounds of health or safety (Emergency Repair) and to recover forthwith the costs.

The Tenements (Scotland) Act imposes responsibility on proprietors of common property to pre-fund major expenditure. All major works would require to be fully-funded prior to instruction. This can be enforced via normal debt-recovery procedures, assuming works have majority/quorum approval.

Where the proposed repair is mutual to an adjoining building, the Factor will attempt to negotiate with the adjoining owners or Factor and endeavour to ensure that the work is completed satisfactorily, at reasonable cost and that the adjoining owners pay their share of the costs. Such work would not be instructed without authority to do so by the Factor's own clients.

When appropriate, the Factor will consult with contractors in general terms as to the type of repair and materials to be used. Where a repair requires the service of more than one trade, the Factor will arrange for several firms of tradesmen to coordinate their work. Major projects or defects requiring specialist expertise would require the input of a Chartered Building Surveyor or other professional.

The Factor will order repairs to firms whom, from their experience, they believe will be reliable and capable of completing the repairs satisfactorily, at reasonable cost. In the event the Owners wished to have nominated a contractor of their choice, said contractor would require to provide Health & Safety Compliance documentation, Liability Insurance documentation and demonstrate suitability and competence to undertake the works, prior to being appointed.

The Factor will check tradesmens accounts when rendered, including their charge of VAT and will calculate the share of costs due by each Owner in the building. If requested, The Factor will arrange to make available copies of tradesmen's accounts to the Owners upon request at each accounting period. Requests for 'archived' accounts would likely attract an additional fee.

We have an approved contractor list, which is available upon request.

## Common Maintenance Timescales

**Emergency Repair** - An issue posing an immediate risk to health or likely to seriously compromise the property. Subject to resources (say, during storm or a weekend/public holiday) and access being made available, attendance by a contractor would be within 6 hours - completion of emergency works would be within 24 hours, if safe to do so.

**Urgent Repair** – This would include less critical items such as door entry faults. These would be carried out within two working days.

**General Fabric Repair** - Maintenance falling within the abovementioned threshold would be carried out within fourteen days or subject to alternative agreement. Where maintenance exceeded the threshold, competitive estimates would be sought. These would be circulated for approval among the Owners within twenty eight days from notification, although the ingathering of quotations for more complex tasks could take longer – in any event, the Owners would be fully consulted in the event of any undue delay being anticipated.

**General Maintenance Contracts** – Competitive quotations would be sought in this case. These would be circulated for approval among the Owners within twenty eight days. If it appeared that the

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process was likely to take longer, the Owners would in any case be fully consulted.

### **Complaints in Connection with Common Maintenance**

Any complaints regarding maintenance works at your property should be reported to us in the first instance. It is best not to wait until the quarterly bill appears before making a complaint.

### **Communal Buildings Insurance**

The surest way to safeguard the common interest is with the implementation of an adequate common comprehensive buildings insurance policy. The sum insured must reflect the cost to reinstate the building in the event of a total loss. It is good practice to have the building re-valued for insurance purposes by a Chartered Surveyor at least every five years.

Macfie & Co. Management Services are authorised and regulated by the FSA at 'entry level' as insurance intermediaries. The portfolio held through ourselves is currently placed with independent firms of brokers, who annually negotiate with insurers to obtain the best-suited insurance product for the client and act with delegated authority as claims handlers, where nominated contractors manage authorised works from incident date to completion.

The communal insured status of your property is confirmed annually where we circulate a schedule of cover. The level of insurance commission earned by Macfie & Co. Management Services can be confirmed upon request.

### **Property Inspections**

A general inspection of the property by our representative would normally be carried out by prior arrangement, particularly where access was restricted by a door entry system.

We can liaise with Owners while on-site. Upon request, we can also attend during emergencies.

### **Financial Arrangements**

**Management Fee** – Our fee represents the cost of administering and carrying out the routine property management duties detailed within this statement. The management fee for your property is detailed within your quarterly common charges accounts. It is charged on a 'flat-rate' basis. All properties similar in type to your own within your development are charged the same fee.

The management fee is reviewed annually to ensure it covers the cost of providing the service. We will notify you prior to any change in fee.

If we are requested to carry out additional duties, (such as advising on improvement or other grants or instructing and pursuing court actions), or if a particular routine item is or becomes unusually time-consuming or complex, (such as a major common repairs scheme) we will, after advising, as soon as is reasonably practicable, that an additional fee is anticipated and having provided an estimate of such additional fee, a reasonable additional fee for the time spent on such matters will become due by the Owners. The Owners will be consulted on any additional fees which we propose to charge.

**Billing** – Our invoices are rendered on a quarterly basis. Accounts are issued at the terms dates of 28<sup>th</sup> February, 31<sup>st</sup> May, 31<sup>st</sup> August and 30<sup>th</sup> November. Any change to this billing cycle would be notified to the Owners in advance.

Most outlays tend to be billed in arrears, aside from Buildings Insurance and certain maintenance contracts.

In terms of the Buildings Insurance premium, one half of the anticipated premium is charged within the quarterly account which precedes renewal. The balance of premium is charged within the subsequent quarterly account.

**Value-Added Tax**- Macfie & Co. Management Services is registered with HM Revenue and Customs in order to comply with VAT legislation. Our VAT registration number is 383 0165 64.

Macfie & Co. Management Services charges a management fee for administering and carrying out property management duties. This fee attracts VAT at the standard rate in accordance with VAT legislation.

**Float**- In accordance with Rule 3 of the Tenements (Scotland) Act 2004, we require all Owners to

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lodge a float. The float is intended to assist the Factor in financing communal expenditure, in lieu of recovery through quarterly billing. The float for your property would be specified prior to you taking ownership.

### **Client Funds**

Floats and Credit balances are held within our client account on a non-interest-bearing basis.

Funding lodged within sinking fund and major repair funds would be held within separate interest-bearing accounts.

### **Payment Methods**

**In Person:** Cash, Cheque, All major debit/credit cards (Charges apply to credit card transactions)

**Post:** Cheque

**Standing order:** Frequency and amount by prior agreement

**By telephone:** All major debit/credit cards

**Internet:** Bank transfer – details can be provided upon request

### **Payment Arrangements**

Each of the Owners will make full and prompt payment on demand to the Factor of their share (calculated in accordance with the provisions of the title deeds for the Development) of the costs of repairs and maintenance, insurance premiums, common and other charges and all factorial and management fees and charges.

Our payment terms are fourteen days from the rendering of an invoice. In order to continue pre-funding maintenance costs for your property, accounts require to be paid promptly. The build-up of arrears can lead to difficulties in terms of the ongoing management of your property.

Any queries regarding accounts should be raised as soon as possible.

Owners who anticipate having difficulty in making payment are invited to contact us to discuss the reason for the difficulty and, if appropriate, agree an acceptable payment arrangement.

### **Debt Recovery Procedure**

In terms of prevailing legislation, there is a potential liability incumbent on all Owners having an interest in common property to meet the irrecoverable debts of insolvent co-owners. However, there are a number of avenues available to us which would, in the vast majority of cases, protect solvent Owners from exposure to this risk.

In the event of non-payment after the period of twenty one days, one reminder letter would follow, with a subsequent notification of Court Proceedings being issued fourteen days thereafter. A Notice of Potential Liability (NOPL) would be lodged against Title Deeds, where debts aged over three months.

Where no payment plan had been arranged, we would be entitled to sue for and recover arrears in our own name on behalf of the remaining Owners. If the amount and the expenses as awarded by the Court appear irrecoverable, these shall at our discretion be paid by the remaining Owners jointly to ourselves, each of such Owners contributing equally and being entitled to recover such amount from such of the Owners as defaulted. However, in the event of a recovery being effected at a later date from the defaulting Owner, the solvent Owners would duly be reimbursed.

In any case, given the availability of NOPL, we would hope to minimise impact of irrecoverable debt upon solvent Owners.

Our staff includes a full-time paralegal and a part-time credit controller, who have extensive experience in handling these duties with appropriate professionalism.

### **Benefit help with Common Charges**

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Many Owners are entitled to assistance from the Department of Work and Pensions (DWP) with payment of our management fee and most common service charges and insurance.

The main qualifying benefits are:

- **Income Support**
- **Income-based Jobseekers Allowance**
- **Pension Credit**

If you think you might qualify, contact your local DWP department at the earliest. You will need to provide them with proof of the charges. If you qualify for assistance, the benefit office will divide qualifying charges over the year and pay an additional benefit directly, on a weekly basis. In any case, you would be responsible for making payment to ourselves.

Most common service charges are covered, provided they are part of a factoring agreement. The only exceptions are common heating charges and historic arrears. Benefits may be back-dated by a maximum period of three months.

### **Selling your Property**

Your solicitor must advise us in the event of a change of ownership as soon as the identity of the new owner is known. Without this, we cannot alter our records and apportion your common charges account between the purchaser and seller. This would normally happen after missives have been concluded. Your solicitor must also advise us of your permanent forwarding address.

The Owner shall instruct their solicitor to retain from the proceeds of sale of the Property and to send the Factor such sum as shall be reasonably requested by the Factor to cover any under payment by the Owner of Common Charge Costs and/or the Management Charge.

When the Factor is requested to apportion common charges between the purchaser and seller and to provide the normal factoring information requested by the solicitor acting, this would attract a private administration fee (apportionment fee). The level of fee would be confirmed when we received notification from a solicitor that a change of ownership was due to take place .

Once the account has been apportioned, you would be charged for any outlays due by you to the date of sale, which would be offset against any applicable reimbursement e.g. Buildings Insurance premium and Float.

### **Complaints about our Service**

If you have a complaint about our service, this should be submitted in writing to our office either by letter or email for the attention of Mr. Graeme Dickson.

Once we have received your initial written summary of the complaint, we will contact you in writing within twenty-one days to inform you of our understanding of the circumstances leading to your complaint. You will be invited to make any comments that you may have in relation to this.

Within twenty-one days of receipt of your final written summary, the person dealing with your complaint will write to you, in order to inform you of the outcome of the investigation into your complaint and let you know what actions have been or will be taken.

If you are dissatisfied with any aspect of our handling of your complaint, you should contact Mr. John Walker, who will personally conduct a separate review of your complaint and contact you within twenty-one days to inform you of the conclusion of this review.

The complaints procedure could by mutual agreement be concluded at any point during the above process.

When our in-house complaints procedure has been exhausted without resolving a complaint, the final decision should be confirmed with senior management before the owner is notified in writing. This letter will provide details of how to contact the Homeowner Housing Panel (HOHP).

Owners may make an application to the HOHP for a determination of whether we have failed to carry out our factoring duties in accordance with the Code of Conduct.

To make a complaint to the HOHP, homeowners must first notify us of the reasons why they

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consider that we have failed to carry out our duties or failed to comply with the Code of Conduct. A complaint could also be raised in the event we have refused to resolve an owner's concerns or have unreasonably delayed attempting to resolve them.

### **Termination of Appointment**

Decisions by the Owners as to the appointment of the Property Manager or termination of their office shall be made in accordance with the procedure specified within the Titles, or if such procedure is not specified within the Titles, by majority in number of the Owners of premises in the property, whose decision shall be binding upon all the Owners.

In the event of a change of factor, we would require three months written notice from Owners forming a quorum, or other such notice as may be specified within the Title Deeds or prevailing legislation.

In the event of our appointment being terminated, we will render our final account within three months of the date of termination, unless accounts from a third party service provider will not be available within that time.

We trust this information is of assistance. We would be happy to speak with you at a mutually convenient time to discuss in greater detail, should this be required.

This version: 19<sup>th</sup> February, 2013



HANDS-ON PROPERTY MANAGEMENT

### **Macfie<sup>&Co</sup> Management Services**

5 CATHKINVIEW ROAD GLASGOW G42 9EA T:0141 632 5588 F:0141 636 6775 E:manager@macfie.com

DIRECTORS: G.DICKSON, F.F.B. A. O' HARE, J.S.WALKER F.F.B.

CONSULTANT: W.W.WATERS.

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