



**RMG** | Scotland

# Written Statement of Services



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## 1. Introduction

This “Written Statement of Services” describes the service levels and arrangements that exist between RMG Scotland property factors and property owners within your scheme. The Statement has been produced in accordance with the requirements of the Property Factors (Scotland) Act 2011 and the Property Factors Code of Conduct.

## 2. Authority to Act

A Property Factor can be appointed as the result of either: appointment by a developer, by a decision of the majority of property owners, by custom and practice or by formal business acquisition.

The management appointment date is detailed in your Scheme Schedule.

Our authority to act includes the management of the common parts insofar as:

- ❖ Routine maintenance contractors
- ❖ 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

For non-emergency repairs, the ultimate decision to authorise any work will be made by RMG Scotland up to an amount of £350.00. Non-emergency works which are likely to exceed this cost will require consultation of the owners.

Emergency repairs that constitute threat to persons or property may be actioned immediately by RMG Scotland. RMG Scotland will write to all affected owners thereafter, detailing remedial actions and costs if exceeding the authorised repair limit.

The decision to escalate a repair as an emergency will be made by RMG Scotland based on the conditions and hazards present.

RMG Scotland will only use approved and authorised contractors for any repair work and will always endeavour to obtain the best possible value for its customers. Comparative quotations will be arranged, where appropriate, by RMG Scotland. RMG Scotland operate an approved contractor process to ensure contractors are adequately insured to work on your behalf.

## 3. Core Services Provided

RMG Scotland provide an extensive range of services for parts or areas of a building or scheme, which the owners have a liability in common, to maintain.

The core services provided cover the maintenance, management and repair of the common parts in line with the above.

Private areas are those that belong to the owner’s individual properties and are not included in our services. These may include, but are not be limited to:

- ❖ All areas inside the home (excluding load bearing walls and beams)
- ❖ Controlled entry handsets and systems inside the home
- ❖ Private balconies
- ❖ Entrance doors into individual properties
- ❖ Private windows and surrounds, mastic etc.
- ❖ Overflows serving private appliances
- ❖ Vents and flues serving private appliances
- ❖ Private water / gas pipes etc. from the point of exit from communal supplies



It is the homeowners' responsibility to ensure these areas are maintained in good order. RMG Scotland will only carry out the services as detailed in this Written Statement of Services. RMG Scotland reserve the right to become involved on private matters where appropriate.

#### 4. Maintenance and Repairs Arrangements

##### *Routine Maintenance*

Gardening and cleaning services will be provided where we are appointed to maintain those areas.

Roof inspections, gutter cleaning, etc. will be provided, where applicable, specific to your scheme.

Statutory inspections of lifts, emergency lighting, fire-fighting equipment, health and safety inspections will be arranged, where applicable, by RMG Scotland property factors in accordance with the individual requirements.

##### *Routine Repairs*

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

- ❖ Through the customer portal RMG Living
- ❖ Live chat through website or RMG Living
- ❖ Message us for free via WhatsApp on 07966 167590 (please include your name first line of address and postcode)
- ❖ By email to [customerservice@rmgscotland.com](mailto:customerservice@rmgscotland.com)
- ❖ By telephone to the Customer Service Centre on 0345 002 4499
- ❖ By advising your property manager during a routine inspection of your building / scheme

##### *Emergency Repairs*

Requests for emergency repairs should be made by calling our Customer Service Centre which is open 24 hours per day, 365 days per year. Our Customer Service Centre 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

Please note that emergency repairs instructed by RMG Scotland will be in respect of common parts only. Costs for emergency repairs will be apportioned as common, among those owners with liability to pay. Private emergency repairs are the owner's responsibility to arrange and pay.



### Major Works

Major works may also be referred to as proposed repairs and are defined as significant planned works where costs exceed our normal authority to act. Such projects may include;

- ❖ Communal painting scheme
- ❖ Structural repairs
- ❖ Mechanical and Electrical replacement
- ❖ Extensive roof repair or replacement
- ❖ Extensive building façade repairs
- ❖ Major Flooring renewal
- ❖ Major Garden re-design
- ❖ Extensive road and carpark resurfacing

Major project discussions 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 roof condition report)
- ❖ A recommendation by your Property Manager.
- ❖ A request from owners.

In most cases, a meeting will be held between RMG Scotland and the owners to establish the level of interest in a particular project. A written ballot may be used to obtain owners decisions. It is standard practice to obtain a project specification and seek comparative quotes or undertake a tender exercise. Without majority approval, or the percentage set out in the deeds to make binding decisions, major projects can't proceed unless significant and immediate health and safety issues prevail. Professional consultants may be required to provide professional services that are out with RMG Scotland's remit. In these cases, comparative fee quotes will be obtained from suitably experienced firms for consideration.

Once a project has been agreed by owners, and a contractor/ quotation selected, sufficient funding must be in place prior to the commencement of the project. This ensures the ability to settle the contractor's invoice. (The Costs involved in major projects are such that the financial resources within the scheme fund would normally be insufficient to cover the costs under our invoicing terms). There are two ways in which funds can be raised.

- ❖ Ingathering of funds RMG Scotland will calculate the individual project cost and issue a proposed works invoice to each owner. Only when sufficient funds have been ingathered can formal instruction be issued to the contractor. RMG Scotland 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 etc. It should be noted, it is possible that agreed works may not go ahead if insufficient funds are ingathered within a twelve month period. In such cases, funds received will be returned to the owners.
- ❖ Use of Sinking Fund– Ingathering 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. Where a sinking fund is used, individual invoices will not normally be raised RMG Scotland.



It is important that the common parts are kept in a good standard of repair. Not only does this improve the daily visual benefits of a well maintained, clean environment, it also helps maintain / improve the value and saleability/ rentability of your property. For these reasons, on-going maintenance/ improvements are essential.

In some geographic areas, grants and subsidies may be available from local authorities and trusts. In such cases RMG Scotland, or the appointed professional consultant, will liaise with the relevant organisations to obtain current requirements for possible grant assisted funding.

#### *Response Times*

Routine Repairs - Where scheme liquidity allows, 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, comparative quotations will be sought and the owners consulted. Anticipated timescales for obtaining estimates is 15 days, but may be subject to external influences.

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.

#### *Maximum Response Times*

<b>CATEGORY</b>	<b>EMERGENCY</b>	<b>ROUTINE</b>
Lift - Trapped Passenger	1 hours	-
Lift Breakdown	4 hours	-
Plumbing	4 hours	5 days
Roofing	24 hours	15 days
Electrical	4 hours	5 days
Joinery	24 hours	5 days

Alterations / enhancements – RMG Scotland will consult the owners to seek unanimous decision for works of this nature. Once approved and requested, response times for routine repairs will apply.

#### *Property Inspections*

Routine property inspections will be made by the property manager, at a frequency agreed by the terms of our appointment. Visits can be more frequent in the event of on-going problems, repairs, major projects etc.

In the event that matters are out with the professional expertise of a property manager, other professional services such as building surveyors and structural engineers, may be required. Owners will be informed in these circumstances, and provided with comparative fee quotes for consideration.



## 5. Financial and Charging Arrangements

### *Management Fees*

An annual factoring management fee, detailed in your Scheme Schedule, will apply to each property/owner in the scheme. This fee is correct at the date of publication of the Scheme Schedule and will be reviewed on an annual basis.

The fee is determined, generally, by the scope of services provided and the size of the scheme and may change if the scope is altered (e.g. grounds only to full block management).

The management fee will be reviewed each year and a standard 3% uplift will be applied unless you are advised otherwise. See below for further invoicing details. The fee review process will take into account such factors as: inflation, on-going operational costs (for example postage, insurances), cost of compliance etc., as well as any changes in scope.

### *Apportionment of costs*

All costs, incurred in the on-going common works and services provided by RMG Scotland in the maintenance of the scheme, will be shared, as appropriate, between owners. These 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

The split (or apportionment) of costs is normally determined by the property title deeds or deed of conditions and is detailed within your Scheme Schedule. If there is no provision in the deed of conditions for some costs, the apportionments will be agreed between RMG Scotland property factors and the owners. Where no definition exists, the Tenements (Scotland) Act 2004 will apply.

### *Float Funds*

On appointment of RMG Scotland property factors to manage your scheme, a float payment may be collected. The float is used by RMG Scotland to fund payment of goods and services on your behalf, until common charges invoices are issued and paid.

Floats are credited to each homeowner after departure from their property and will appear as such on the final invoice.

The date of the final invoice is determined by transfer of ownership or sale date.

The full amount of the float will be repaid to the owner minus any outstanding costs on the account.

The float amount quoted in your Scheme Schedule is correct at the date of publication of this Written Statement of Service, and may be subject to change, if costs increase significantly. RMG Scotland will write to you if a float increase is recommended.



### *Sinking/ Reserve/ Contingency Funds*

In order to financially plan for major projects, a sinking or reserve fund can be arranged for the scheme by RMG Scotland. Such funds are held by RMG Scotland in separate accounts in the name of the scheme.

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

Sinking fund Bank Accounts are separate from the Company's operating account and are securely protected against the financial failure of the business.

Interest accrued in sinking fund accounts is retained directly in the account.

A statement of the funds held in the scheme's sinking fund account can be exhibited at an Annual General Meeting (as appropriate) or on request.

If a homeowner sells the property, the amount paid into the sinking fund is not returned. It should, however, be detailed as an asset in the sale of the property.

The use / spending of sinking funds is controlled by the owners. RMG Scotland may recommend the use of sinking funds for a particular project, but cannot enforce such an action.

### *Invoicing*

All costs, including management fees, are charged in accordance with your Scheme Schedule. Insurance premiums may vary (see Section 8).

Invoices will be sent to the owner of the property either by standard post or by secure email depending on individual preferences. For environmental and cost purposes, the preferred method of delivery is secure email. Please contact [paperless@rmguk.com](mailto:paperless@rmguk.com) if you are able to receive email invoices.

### *Sales / Apportionment Process and Fees*

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

- ❖ Repairs in contemplation
- ❖ Repairs instructed but not yet completed, or completed but not yet invoiced
- ❖ Insurance Arrangements
- ❖ Sinking Funds
- ❖ Outstanding Debt
- ❖ Major repairs
- ❖ Valid Guarantees or Warranties
- ❖ Ongoing treatment plans

RMG Scotland 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.

It is standard practice in the industry to charge a fee for the provision of this information to solicitors and the apportioning of common costs between the seller and purchaser. Our apportionment fee is £75.00 for a flat and £45.00 for a house.



### *Payment of Invoices*

Payments are due within thirty days of the invoice date.

Invoices can be paid by any of the following methods:

- ❖ Direct Debit
- ❖ On-line using the RMG Living at [www.RMGScotland.co.uk](http://www.RMGScotland.co.uk) or download the App
- ❖ Electronic bank transfer – See back of invoice for details
- ❖ Standing order
- ❖ Cheque
- ❖ By telephone to 0345 002 4499

If paying by direct debit, RMG Scotland property factors will advise the payment amount required based on recent average costs. As on-going costs do fluctuate, homeowners must check their invoice and pay any outstanding balance on their account as it falls due, this could be done by making a one off payment or amending your direct debit. It is the homeowner's responsibility to adjust direct debit amounts if charges vary significantly over time.

Any disputed items on an invoice should be raised with RMG Scotland property factors accounts department within seven days of receipt of the invoice. Undisputed items on the invoice must still be paid within thirty days of receipt of invoice.

RMG Scotland property factors has a specific "Client Bank Account" into which all floats and homeowners payments are made and from which all contractors' invoices etc. are paid. This account is separate from the Company's operating account and is securely protected against the financial failure of the business.

RMG Scotland property factors 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.

### *Income Recovery*

A debt recovery procedure is stringently applied to ensure that all means possible are employed to recover debt from late and defaulting payers. The procedure includes written correspondence from RMG Scotland property factors, 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.

A copy of RMG Scotland property factor's debt recovery procedure is available from [www.rmgscotland.com](http://www.rmgscotland.com), or on request.

Details of the scheme debt position can be provided on request or at a meeting of owners. Details provided will include the number of debtors along with the size and status of each debt (i.e. debt recovery, legal action etc.). Names of individual debtors whose debt is at the "legal action" stage may be communicated.

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.



Such statements will be provided, annually, at an AGM if appropriate, or at other times, if required. No changes will be implemented without first discussing financial concerns with the owners.

#### *Contractors Invoices and Payments*

RMG Scotland property factors settles all contractors' invoices within twenty eight days of receipt (assuming there are no disputes and dependent on the liquidity of available funds on the scheme).

No mark up, commission, or any other form of remuneration is taken by RMG Scotland property factors in its dealings with contractors. The price the homeowner pays is the price charged by the contractor to the factor.

## **6. Communication 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 Service Centre in the first instance. Our Customer Service 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, your Property Manager will return your call within 2 working days.

Contact information for all forms of communication are detailed on the cover of this document. For general requests, (i.e. non-emergency) RMG Scotland 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.

## **7. Complaints**

Should a homeowner wish to make a formal complaint, our "Complaints Procedure" is available on our website at [www.rmgscotland.com](http://www.rmgscotland.com) or by request to the Customer Service Centre.

Our complaints process has two stages as identified below:

<b>Stage</b>	<b>Complaint Handler</b>	<b>Response Times</b>
<b>Stage 1 - Internal</b>	Dispute Resolution Team	Up to 10 working days
<b>Stage 2 - Internal</b>	Head of Property North/Director	Up to 10 working days

If the homeowner remains dis-satisfied after the stage 2 response, 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.

To take a complaint to the First-tier Tribunal for Scotland (Housing and Property Chamber), homeowners must first notify their property factor in writing of the reasons why they consider that the factor has failed to carry out their duties, or failed to comply with the Code of Conduct. The property factor must also have refused to resolve the homeowner's concerns, or have unreasonably delayed attempting to resolve them.

At the request of the homeowner, and if all attempts to resolve the complaint have failed, RMG Scotland property factors will provide contact details for the First-tier Tribunal for Scotland (Housing and Property Chamber) to whom the complaint can be passed.



In dealing with complaints, RMG Scotland property factors staff will, at all times, display a polite and professional approach with the homeowner. Similarly, homeowners who have a complaint must also display professional conduct at all times. Verbal (or other forms of) abuse of staff will not be tolerated.

## 8. Insurance

Cover and Premiums - RMG Scotland Property Factors will place fully comprehensive buildings insurance cover on the Owners behalf, by means of a common policy via our broker, where title deeds stipulate there is a requirement, or by agreement with the Owners. A fully comprehensive buildings insurance policy includes Property Owners Liability cover.

Property Owners Liability - Where fully comprehensive buildings insurance cover is not placed by RMG Scotland Property Factors, Property Owners Liability cover will be placed on the Owners behalf via our broker, as a minimum requirement, to ensure Owners are protected in the event of liability claims.

Additional Cover - Appropriate insurance cover for assets such as lifts and playparks will be placed on the Owners behalf, via RMG Scotland Property Factors' insurance broker.

Insurance Policy Documentation is available for inspection via our customer portal [www.RMGLiving.com](http://www.RMGLiving.com) or on request. Please call 0345 002 4499 or email [customerservice@rmgscotland.com](mailto:customerservice@rmgscotland.com) Insurance certificates will detail the declared value, the sum insured and any excesses that apply. Full policy wording is available on request.

Insurance premiums will be apportioned in accordance with title deed stipulations or where appropriate, utilising the provisions of the Tenement (Scotland) Act 2004.

Insurance Claims - In the event of an insurance claim where RMG Scotland Property Factors places cover on behalf of owners, please contact our Customer Service Team on 0345 002 4499 or [customerservice@rmgscotland.com](mailto:customerservice@rmgscotland.com)

Renewal Process - Confirmation of RMG Scotland Property Factors insurance renewal process is available via our customer portal [www.rmgliving.com](http://www.rmgliving.com) or on request. Please call 0345 002 4499 or email [customerservice@rmgscotland.com](mailto:customerservice@rmgscotland.com)

Defects Reporting - All considerable defects should be reported to RMG Scotland Property Factors urgently. Please call 0345 002 4499 or email [customerservice@rmgscotland.com](mailto:customerservice@rmgscotland.com) Failure to report defects quickly can result in the insurance provider disputing claims.

Insurance Valuations – In the absence of alternative instructions, RMG Scotland Property Factors will arrange reinstatement valuations for insurance purposes, in line with RICS recommendations. Sums insured and associated premiums will be adjusted accordingly, and Owners advised. Reinstatement valuations will be undertaken by RICS accredited surveying firms. Associated professional fees will be subject to a competitive tendering exercise.

Index linked increases will apply to declared values reflecting standard insurers' practice.

In order to maintain insurance premiums at the lowest possible level, RMG Scotland property factors does not receive any commissions beyond that taken by the broker. Instead, it shares the broker's standard commission. It is able to do this by taking some of the administrative work in-house.

RMG Scotland property factors is happy to demonstrate its annual insurance renewal process on request.

## 9. Declaration of Interest

In the unlikely event that RMG Scotland property factors are involved in a relationship, or agreement, that is material or conflicts with any work undertaken for the homeowner, fair treatment will be ensured at all times.



RMG Scotland property factors are part of the Places for People group of companies. There may be properties on your scheme owned by Places for People or Castle Rock Edinvar who also form part of the Places for People group of companies.

If there are properties on your scheme owned by Places for People or Castle Rock Edinvar then insurance may be placed through the Places for People group.

If there are properties on your scheme owned by Places for People or Castle Rock Edinvar contractors that are used may be part of the Places for People group.

We may appoint or instruct contractors to carry out works on your scheme that are part of the Places for People group of companies.

## 10. Regulatory Status and Association

The business operates as a formally registered Property Factor in Scotland, registration number PF000763.

## 11. Termination of Appointment

Should owners wish to terminate RMG Scotland's appointment, reference should be made to the property title deeds or deed of conditions. Written evidence to illustrate that competent consultation of all owners has occurred must be produced to RMG Scotland, along with a signed document verifying the decision of each owner.

The standard notice period for termination of appointment from either party is 4 weeks.

Once all bills pertaining to the scheme have been received and processed (normally within 3 months), 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.

Any outstanding "scheme" debt will be distributed, if the property title deeds allow, 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.

RMG Scotland 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 in respect of health and safety.