

Date Issued	September 2023
Last Reviewed	n/a
Department	Asset Management
Title	Mutual Repairs Policy
Objective	To minimise the loss of income through the prompt and effective recovery of mutual repair costs.
Responsible	Director of R3 & Asset Management
Next Review Date	September 2028

1.0 Introduction

- 1.1 The Property Factors (Scotland) Act 2011 requires anyone acting on behalf of owners to register and comply with the Property Factors Code of Conduct. Whilst we are a registered factor in terms of the legislation, we are not registered to factor any of the properties that we bought from Scottish Homes (previously the Scottish Special Housing Association) through a Large Scale Voluntary Transfer (LSVT) except for the properties in Whitecraig, where we are the majority owner. More information on factoring can be found in our Factoring Services Policy [Factoring Services Policy](#).
- 1.2 Though we are not a factor for the LSVT developments, we may on occasion carry out a mutual repair in a blocks of flats where we are the majority owner, for the benefit of our tenants. We will do this in consultation with owners unless it is an emergency repair, for health and safety reasons and to protect the property.
- 1.3 If we do have to instruct work we will take reasonable steps to recover costs from mutual owners. We will consider the potential costs in time and money to the Association when trying to recover costs.
- 1.4 We will not charge mutual owners for shared costs without their written agreement, except for emergency repairs carried out to safeguard the occupants and protect the property.
- 1.5 We will encourage mutual owners to carry out repair work when we are the minority owner and will pay our share of the agreed costs. However, we will consider a request from the majority owners to provide a cost for the work and may carry out the work on their behalf provided we have the written agreement of all owners (see also paragraphs 2.4 and 2.5).
- 1.6 We will not arrange or pay for works to hard landscaping within the estates (See Section 2.0).

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2.0 Context

- 2.1 When the Right to Buy was introduced in 1980, Scottish Special Housing Association (SSHA), which at that time owned housing stock in East Lothian, prepared a standard Deed of Conditions attached to the sale of each property specifying that each proprietor within a feuing area would be responsible for a share of the maintenance, repair or renewal of “roadways, pavements, kerbs, laybys, pedestrian ways parking areas and open spaces (including play areas and areas of hard and soft landscaping...)” except where they were maintained by the local authority. The Deed of Conditions also provided that as long as it owned a majority of the houses within the feuing area, SSHA or its successors had the right to carry out repairs to these areas and charge a share of the cost to each proprietor. Although there have been several changes to the law since 1980 these conditions still apply to all owners of former SSHA properties.
- 2.2 In 1996 East Lothian Housing Association bought all the remaining SSHA properties in East Lothian from SSHA’s successors Scottish Homes through a Large Scale Voluntary Transfer. By that time the majority of the properties in all but one of the areas had been sold and so, as a minority owner, we are now in a situation where although we may have to instruct and pay for work to the communal areas for the benefit of our tenants, we have no legal right to charge for the work.
- 2.3 Although we have legal title to the Common Areas in the LSVT estates (apart from the soft landscaping area which we conveyed to East Lothian Council) we are not responsible for arranging or paying for work to the Common Areas. This responsibility lies with all homeowners in terms of the Deed of Conditions.
- 2.4 If someone is injured or suffers loss as a result of the areas not being maintained, liability under statute may lie with the Association as owners. If any claim for damages is made against us as owners of the Common Areas, we have the right to bring all homeowners in to any claim or court action as third parties on the basis that under the Deed of Conditions all homeowners are liable for the maintenance and repairs.

3.0 Policy Aims

- 3.1 This policy aims to
- Comply with the Regulatory Standards of Governance and Financial Management
 - Minimise the loss of income by ensuring the prompt and effective recovery of mutual repair costs from owners

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4.0 Mutual Repairs Procedure

- 4.1 We will prepare and price a detailed schedule of works for common repairs involving mutual owners.
- 4.2 Once the price has been established, we will inform each mutual owner, in writing of:
 - Details of the proposed repair
 - The estimated cost of the work, and their share of the costs
 - That they can arrange the repair themselves using their own contractor
- 4.3 We will ask all mutual owners to confirm in writing that they agree to the work being carried out and that they accept responsibility to pay their share of the cost inclusive of VAT.
- 4.4 If a majority of owners agree that the work should go ahead, we will inform all of the owners that the majority have agreed, and we will then proceed with the work.
- 4.5 If a majority of owners agree that the work should go ahead, but we are a minority owner, we will decide whether we want to proceed to organise the work or advise the majority owners to organise the repair themselves. An example of when we may do the work ourselves is if there is a Health & Safety issue.
- 4.6 If we proceed with work, we will instruct the contractor to carry out the repair according to the schedule of work at the agreed price.
- 4.7 The majority procedure described at 4.4 will apply to the repair of common parts only and does not include improvements such as door entry systems. Improvements require the consent of all owners.
- 4.8 Before the work starts, we will provide each owner with:
 - The contractors name, and contact details
 - The date when work will begin
 - The length of time the work will take
- 4.9 We will keep owners fully informed, in writing, of any changes that affect the progress or cost of the work.
- 4.10 We will maintain a record of all issues relating to the repair. This will include:
 - A record of phone calls and correspondence
 - Contact with the contractor

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- Contact with owners
- Variations to the work

4.11 The Finance Department will send an invoice to each owner within 30 days of receiving notification that the work is complete.

4.12 Invoices must be paid within 14 days of receipt. If the invoice is not paid, the Finance Department will send a reminder letter giving the owner a further 14 days to pay. If the invoice is still not paid, or a suitable arrangement to pay has been agreed and not maintained, we will send a final letter giving the owner a further seven days before passing the debt to a debt collection agency for recovery.

5.0 Correspondence

5.1 All correspondence to mutual owners, including invoices, must be addressed using the owner's name. We will make every effort to establish the name of the owner prior to the repair being instructed.

6.0 Review of Policy

6.1 The Director of Asset Management will ensure that this policy is reviewed at least every five years and that any amendments required are submitted to the Management Committee for approval.