

# the address

YOUR NEWSLETTER FROM JAMES GIBB RESIDENTIAL FACTORS

AUTUMN 2023

## Welcome

I hope all our customers have had an enjoyable summer with your friends and family. After the fine weather of May and June, the months of July and August have not been the best weather for holidays in the UK. Whatever the weather looks like, it is always good to have a summer break with those dear to us all.

This type of weather, sun and rain, then sun and rain again, is the most difficult for our landscape teams to manage. During the growing season, April to May, the landscape specifications for our developments confirm the focus is on grass cutting, edging and litter picking. Wild flower areas, shrubs and hedges that are specified during the growing season only to be visited for tidy up, twice, possibly three times during this period, grow substantially and can be the cause for frustration for our homeowners and landscape teams. Our teams will always try to be flexible to do what they can but have to balance this work with a range of other activities they have planned in. They will have planned site visits and activities months in advance so changing these due to the impact of changing weather is a real challenge. This is a weather related challenge and our customers should be aware of and be mindful of the specifications which can be found on the JG Portal.

Despite the poor weather, we continue to see challenges with the day to day cost of living we all face. Although interest rates continue to climb, the Bank of England have confirmed that this is

how they are attempting to manage down inflation and steer the country away from a recession. However, we have seen some positives with the cost of utilities. Rates are starting to stabilise and, in some areas, reduce.

### Marketplace Challenges

As per previous newsletters the utility market has been extremely challenging for us all - both personal and in the commercial sector. As a result of this, we have carried out a review of how we manage and monitor utility costs via our specialist advisors. This work is ongoing. We have had real challenges with a number of utility companies as they are experiencing large scale organisational delivery issues both financially and logistically. Unfortunately, our customers believe these issues to be a result of James Gibb processes. However, we have no influence over the poor delivery of utility suppliers. We are taking a proactive approach where we can to work with our utilities broker, Indigo Swan, and through them drive an improved service response from utility companies. This can be frustrating for us and you as our customers but please be aware that we are doing all we can on your behalf, especially when in term contracts and on many occasions have had to escalate the level of the complaint.

**David Reid**, Chief Executive at James Gibb



doing it  
the right way



## Review and Improve

In June 2023, our parent company, Strathspey Capital, acquired Glasgow based Speirs Gumley to create Scotland's largest factoring via the Strathspey Group. We are in the process of reviewing best practice within both James Gibb and Speirs Gumley to ensure that we deliver the most operationally sound and cost-effective service possible. James Gibb continues to have a focus on our customers, our people and how we communicate internally and externally as this is vital to ensuring we are 'best in class'. We have recently launched our new intranet in July 2023 which provides all our teams with instant access to the key information they need to deliver excellent services and ensure they are accessing our training and development programmes. We have reviewed the property management marketplace to understand what our customers and teams are looking for in 2023 and this will allow us to deliver what we do as effectively as possible.

### Continuous Development

Our internal organisational development is ongoing and is structured to ensure we continue to improve the ways in which we work and provide our customers and partners with the best service we can. As previously advised, we continue to work on our new operating structure with a focus on having the right people in each area of the business, be it operationally managing homeowners developments or looking after a development's fund to ensure we provide the essential services you require (which includes debtor management on behalf of paying homeowners) and providing administration support to the developments.

## Training and Development

### Investing in our people

We at James Gibb take time to structure our training and development programmes for our teams to ensure our staff are fully equipped to undertake their role.

Our people, over and above the on-the-job training, have a programme for their training requirements. For example, this year we continue to support our senior teams in developing management and leadership skills. All of our Development Managers will benefit from presentation skills training and many of our teams have been on the external educational courses via The Property Institute's IRPM training platform. IRPM is an industry course with a curriculum written and produced by Scotland for Scottish property managers. There have been a number of senior leaders at James Gibb who have been involved in writing this curriculum with IRPM.

We have also recently appointed Clare Bugden as our Director of Customer and Retirement Services. In this role, Clare has the responsibility to ensure we are improving all aspects of customer service across our business. We will also be reviewing the feedback that we have received from our customers to ensure this informs what we do.

This highlights the investment that James Gibb has given to our customer service delivery approach and I want to note to you that we will continue to place customer service delivery at the heart of what we are about. As you know our strap line is '**doing it the right way**' and Clare's role will help us all to achieve that ambition.



# Time to Prepare for Winter

## Top tips to make your home winter ready

Once the clocks have gone back every year the seasonal changes can quickly take effect as the UK moves into Winter. Aside from reduced hours of daylight, we often begin to heat our homes and spend more time indoors. Our recent guidance in response to the 'UK Energy Crisis' focussed particularly on the use and maintenance of central heating boilers whilst the cost of utilities in 2022/23 reached unprecedented levels.



### 1 Escape of Water

Some simple steps such as insulating water pipes and any tanks in loft spaces, using draught excluders around doors can help to keep homes warm and reduce energy bills. The Energy Saving Trust has published online advice as well as useful video tutorials on YouTube about the use of heating systems and thermostats.



### 2 Gutters

When Autumn leaves begin to fall, some may find their way in to your gutters. A build up of leaves in a gutter can create a blockage point and cause them to overflow during periods of rainfall. Keeping gutters clear can help protect the building from damage via windows, doors and external elevations. Ideally gutters should be cleaned twice a year, in Spring and then again in Autumn.



### 3 Empty Property?

Going away to visit family and friends or on holiday? Many of us may decide to spend a few days or longer away from home during the winter, whether it's catching up with family and friends or taking a holiday and going abroad. If leaving your property unoccupied, insurers recommend ensuring that heating is still programmed to maintain a minimum temperature of 4°C at all times. Frost thermostats can help ensure heating systems automatically come on during colder periods. Ensure radiators are bled and the heating system is at the right pressure (usually between 1 and 2 bar). If you can, isolate your water by turning off the stopcock before you leave.



*Do you know where your stopcock is and if it's working?*



Should you need assistance or advice on a problem, please contact your regional office.

# Irrecoverable Service Charges

Understanding our debt recovery process

It is always difficult for regular paying homeowners to have to consider the prospect of paying someone else's outstanding charges. Unfortunately, our role is to pursue these outstanding sums to ensure the financial health of your development funds and ensure that there are sufficient funds to pay for the services which maintain, protect and add value to your development/properties.

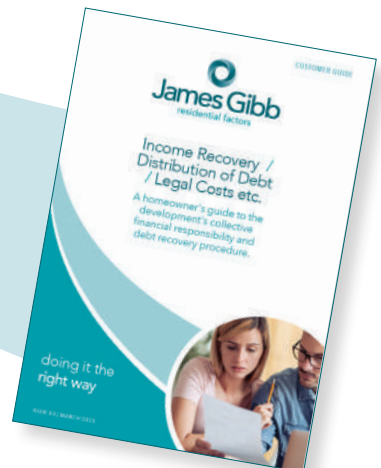
Within freehold tenure in Scotland and in reference to each development's Deed of Conditions, the liability for unpaid service charge costs, where the recovery process has been exhausted, falls to the remaining homeowners within the development. We accept that this can feel unfair. However, in each development it is also the responsibility of the duty holders (homeowners) to ensure the development is maintained correctly and the benefit in kind of this work, is that of the duty holders (homeowners,) not the managing/factoring agent. Our remit is to ensure the services are supplied to ensure the highest value at the minimum of cost is achieved.

Information will be available in late October 2023, via the JG+ portal, for those developments which are impacted by an exhausted debt recovery process, including debt reports identifying amounts and categories of debt and correspondence, confirming the amount of irrecoverable debt which will be split between the remaining homeowners in the November service charge invoice, avoiding more significant legal recovery costs.

This matter may also form part of the agenda for some developments, to be discussed via Committee Meetings or during AGMs. Where possible, James Gibb will continue to pursue debts, if ongoing service charges continue to accrue, and we will take the appropriate legal action where possible. All sums recovered will be credited back in full to homeowners as 'Income Recovered from Debtor'.



Please see our [Income Recovery Guide](#) available on our website for further information and look out for further communications uploaded to the documents tab of your James Gibb+ portal.



# Fact or Fiction

Dispelling the myths!

## Myth

Many customers believe that when they sell their property that the refundable deposit, known as a float (see float guide on our web site) should be returned immediately on the day the property is sold. When they do not receive their float immediately and they enquire to why this is the case, they allege that a factor is deliberately not returning their float to the benefit of the company. To add to the frustration, on occasions after a float is returned the exited customer can sometimes receive an additional invoice for a small sum.

## Fact

This is not the case. Many buildings/developments where a float (refundable deposit) is in place are invoiced in arrears, three months in arrears to be precise. This then requires the account to be concluded at the end of the billing quarter. If someone sells a property on day one of a new quarter of services being supplied, the account will not be concluded until after the end of the quarterly period, three months later. On occasions, a supplier may have delayed sending an invoice or an invoice can be under review and not paid in the period. This can result in an invoice falling into the next quarter or beyond and as the billing system is date driven, it will allocate to the property owner responsible at the time. Frustratingly an owner could receive an invoice for this cost 6 or 10 months later. This is a common practice in the industry.

# Building Valuations

## Ensuring your Building Insurance Policy is correct

- For the majority of developments we provide buildings insurance for, a valuation will be carried out over the next 6 months to ensure the declared value stated in your insurance policy is correct. This cost will appear on your service charge invoice once the insurance valuation has been completed.
- Over the next few weeks, we will be conducting a competitive tender process for this revaluation work, and we will look to advise owners of the cost of the revaluation once this has been completed.
- Insurers require that buildings are insured for an amount equivalent to the total rebuilding cost, which can be very different to the combined 'market value' of all the flats in the block.
- On your policy documents you will see this referred to as the 'Buildings Reinstatement Value' or the 'Buildings Declared Value'.
- Failing to insure your building for the correct value can be disastrous. If you under-insure the building, the insurers could reduce your claim in proportion to the under-insurance otherwise known as 'Average'. For example, if you insure for 50% of the correct value, only 50% of your claim might be paid. Most policies make provision for the buildings declared value to increase over time (index linking), but if the original value is wrong this does not help much.
- It is recommended buildings are valued by a surveyor with experience of insurance valuations and that the valuation exercise should be repeated every three to five years, as although insurers may index-link the sum insured each year, this is based on national indices and the actual cost can vary on a regional basis. So, over time, your rebuild value may vary from the buildings true valuation.



Further information on all issues can be found at our [www.jamesgibb.co.uk](http://www.jamesgibb.co.uk)

# The Scottish Tenure System in Scotland

## A look at understanding the Scottish tenure system

A number of my colleagues and I work closely with stakeholders involved in the residential property sector, e.g. surveyors, insurers, UK Financial institutions, Homebuilder bodies, Law Society, Scottish Government/Westminster officials and many more. Many still have a challenge understanding the tenure system in Scotland. In England the vast majority of developments are managed via the Leasehold system. This system is normally where a landlord/duty holder owns all the common areas of a development and/or a building and the homeowners own the property within the development/building. This can sometimes be the property agent as the landlord/duty holder noted above. This then holds the landlord responsible for the maintaining the common areas but the cost of doing so is charged to the homeowners. As an example, a landlord who owns a building with combustible cladding on it, can arrange for it to be replaced and apply the cost to the property owners. In Scotland, the similar position would be a Housing Association that owns a building and rents it to tenants and charges the tenants for all costs of maintenance.

The above system is widely used in England and Wales and therefore many of the stakeholders involved focus on how the Leasehold system is applied and can wrongly believe it is the same system in Scotland, which it is not. As I have stated many times in our newsletters Fact or Fiction section, the tenure system in Scotland is very different. The property management agent/factor is as stated, an agent managing and maintaining the common areas in a development / building for and on behalf of all homeowners. If you have a building with 50 properties or a development of houses with 50 properties, the 50 properties are collectively the landlord/duty holders. Therefore, using the same example above regarding a cladding building, the title for common areas which holds the 50 owners collectively responsible, will confirm the process and number of the 50 properties required to agree to carry out the replacement of the cladding. In line with the title and the Property Factors (Scotland) Act 2011, a property management agent/factor cannot legally impose this cost on the collective homeowners/duty holders without the majority agreement of

homeowners. It should be noted the focus above is on improvement work, the titles in Scotland will likely state that property agents/factors are required to manage a building/development and will maintain core services, such as building insurance, landscaping, cleaning, fire safety maintenance, small scale repairs. The challenge arises when additional non-core service maintenance, repair, replacement is required. If apathy exists in a development and insufficient numbers are achieved via the title process, the larger scale maintenance can be problematic to have carried out, which can be detrimental to the long-term value of properties, buildings and developments.

## Ongoing Work

At James Gibb, we continue to work with all stakeholders to educate and understand the tenure system and via industry bodies, we have also been reviewing how we can constantly message this tenure system, highlighting the responsibilities of the duty holders (homeowners) and highlight what a factor can and cannot do without authorisation of the duty holders. We are working with Scottish Government regarding how essential maintenance, issues of public safety and/or health and safety problems on buildings/developments are managed in this tenure system. We often have the example of a building which has leaks and only a replacement roof will provide the solution. We then write to all homeowners to seek authorisation for this work, and we do not receive the required numbers in agreement to commence. At this point we have no legal right to arrange the work, therefore the work will not commence. We then have a homeowner with a leak believing that the factor is doing nothing to solve their problem. There are times when we receive the required numbers in agreement from homeowners and we invoice out the cost to all homeowners. When not all homeowners pay the funds required to instruct the work, the factor cannot instruct the work to the supplier as there is insufficient funds to pay for the work. It is illegal to instruct work without the funds available. We have had some homeowners ask why James Gibb is not paying the balance? The beneficiaries of improvement work are the property owners, James Gibb do not receive the benefit in kind from the work completed and do not own the building or development, the homeowners do.

We will continue to constantly message the tenure system as stakeholders constantly change, properties also change hands and we have to constantly educate.



# Annual Charity Donations

James Gibb is a true people organisation and as such we have a continuing commitment to developing our corporate social responsibility, to have a positive impact on society. As part of this commitment, each year we support deserving charities that are nominated by our customers.

In our summer newsletter, we invited our customers as part of this commitment, to nominate a charity that has helped them, their family or friends and that James Gibb will donate £500 to two charities from each of our Regional Offices (Edinburgh, Glasgow, Aberdeen and Dundee) and these would be chosen from the nominations we receive from you.

We were inundated and although all nominations were worthy of donation, we randomly selected, as usual, the winning worthy causes.

£500 can make a significant difference to some charities and we will be sending our donations shortly. Thank you, again, to those who took the time to send in nominations.

## GLASGOW

### Brightest Star

Supporting Bereaved Families  
<https://brighteststar.org.uk/>  
Thank you to Mrs M Gough for this nomination

### Team Jak

Supporting children, young people & families dealing with cancer  
<https://www.teamjak.org.uk/>  
This nomination was received from Mrs C Gough

## EDINBURGH

### Marie Curie Hospice, Fairmilehead

Care and support through terminal illness  
<https://www.mariecurie.org.uk/help/hospice-care/edinburgh>  
Thanks to Mr Rae for this nomination

### Smile - Adventure with Dementia

<https://www.smileelderlyactivities.co.uk>  
Nomination received with thanks from Mr C Samuels

## ABERDEEN

### Advocacy Service Aberdeen

Providing independent advocacy service in Aberdeen  
<https://www.advocacy.org.uk/>  
This nomination was received from Melanie Begg

### Aberdeen Street Pastors

Engaging with people on the streets  
<https://streetpastors.org/locations/aberdeen/>  
Customer details withheld by request

## DUNDEE

### Dundee & Angus Foodbank

Helping local people in Crisis  
<https://dundeeandangus.foodbank.org.uk/>  
Customer details withheld by request

### Togs for Tots

Providing essential clothing and equipment for children  
<https://togs.care/>  
This nomination was received from Mr & Mrs Galbraith



The James Gibb+ mobile phone app can be downloaded absolutely free from either the Google Play Store (Android) or from the Apple App Store.



For further information, please see our guide on the website.

## Office Contact Details:

### Glasgow Bellahouston Head Office

James Gibb residential factors  
Bellahouston Business Centre  
423 Paisley Road West, Glasgow G51 1PZ  
Tel: 0333 240 8325  
Email: [incomerecovery@jamesgibb.co.uk](mailto:incomerecovery@jamesgibb.co.uk)  
[propertysales@jamesgibb.co.uk](mailto:propertysales@jamesgibb.co.uk)  
[businessdevelopment@jamesgibb.co.uk](mailto:businessdevelopment@jamesgibb.co.uk)  
[directdebit@jamesgibb.co.uk](mailto:directdebit@jamesgibb.co.uk)

### Glasgow Greendyke Street

James Gibb residential factors  
65 Greendyke Street, Glasgow G1 5PX  
Tel: 0333 240 8325  
Email: [glasgow@jamesgibb.co.uk](mailto:glasgow@jamesgibb.co.uk)

doing it  
the right way

### Edinburgh

James Gibb residential factors  
4 Atholl Place, Edinburgh EH3 8HT  
Tel: 0333 240 8325  
Email: [edinburgh@jamesgibb.co.uk](mailto:edinburgh@jamesgibb.co.uk)

### Aberdeen

James Gibb residential factors  
27 Chapel Street, Aberdeen AB10 1SQ  
Tel: 0333 240 8325  
Email: [aberdeen@jamesgibb.co.uk](mailto:aberdeen@jamesgibb.co.uk)

### Dundee

James Gibb residential factors  
Unit J, Tayside Software Centre  
Gemini Crescent, Dundee Technology Park  
Dundee DD2 1TY  
Tel: 0333 240 8325  
Email: [dundee@jamesgibb.co.uk](mailto:dundee@jamesgibb.co.uk)