

Professional Diploma in Property Factoring

Syllabus with learning outcomes

Premise and focus

Given how central the home is to peoples' lives and their well-being, ensuring a property is well managed and maintained is of critical importance. Where a property is situated, the condition of any communal areas and car parking as well as the immediate environment also has a great bearing on how individuals experience and appreciate their home and where they live.

While maintaining any individual property and its environment always presents its challenges, within a multi-owned structure, given issues of building size and technical complexity these are further compounded. When you add in the dramatic changes in property ownership occurring within these structures, initially through the growth of home-ownership and now, latterly, via the unprecedented expansion in private renting, then trying to ensure binding decisions about managing and maintaining the buildings fabric and its environs can become that much harder.

In the past property factors, in working for landlord interests, often organised such responsibilities through use of secondary deeds, a deed of condition, which helped ensure the proper management and maintenance of the then tenemental stock. However, these historic governance arrangements have come under increasing strain, primarily as a consequence of ownership changes within these blocks. At the same time, modern apartments, often containing a range of additional facilities and cutting-edge technologies, ensure the actual management task is that bit more challenging. While having well drafted modern title deeds can set in place the legal basis needed to facilitate robust decision-making structures, within well-considered and comprehensive management arrangements, these are far from universal. As with all management tasks, it is people who at the end of the day make them work or not. Having an aptitude for working with, and getting the best from people is thus a critical skill of any factor. So how best does the factoring profession and property management, in general, move forward in addressing the various property management consequences that have emerged from the major social and cultural shifts that have occurred across Scottish property ownership?

While factoring is often primarily seen as a flatted property issue, it is also worth bearing in mind that many modern housing developments, containing detached dwellings are set within communal managed open spaces, are also subject to similar management arrangements. Whereas in the past the maintenance of the grounds and car parking on such estates was the responsibility of the local authority it now more commonly lies with the owners themselves. Discharging their property title conditions, in respect of the maintenance of these communal spaces, thus also demands property management services.

Ensuring technical competence in relation to the core building management and maintenance tasks is a given within factoring. All professional factors need to possess a solid knowledge and understanding of building technology. While factors and property managers would never claim to be builders or contractors, they do need to know what to inspect and what to flag for either immediate action or further detailed investigation. To be able to do this a basic understanding of the various components that constitute the building blocks of these constructions is required, paying particular

attention to the common parts and their on-going requirements for both regular maintenance and periodic repair. A solid grasp of the various services that can now be provided within such structures is also becoming ever more important, especially in relation to environmental and energy efficiency innovations and adaptations.

Similarly, health and safety must always be a central concern in undertaking any property work, a task which involves residents, owners, contractors and property professionals alike. This issue has gained greater gravity, as a result of the recent Grenfell Tower tragedy. It is thus vital, that factors not only have a clear knowledge and understanding of current health and safety issues, but also are in a position to act on the imminent changes that will emerge from the on-going Grenfell Inquiry and the linked Hackett Report.

Factoring and property management, in general, is also a business activity, so it is important that the basics of business practice and working to robust practices and procedures is also properly considered and understood. While this involves not only being well-versed in both legal and financial matters, it also covers personal skills such as how to act on instruction, as well as to instruct contractors, and then properly account for these activities in writing, as well as in terms of income, expenditure, profit, loss and debt. The critical consideration here is that of ensuring a sympathetic and committed consumer focus, which embraces best practice in communications, transparency, confidence building, liability and trust. Ensuring a robust ethical practice at all times, while appreciating the importance of behavioural knowledge is thus also a critical skill within factoring practice. Appreciating the nature of the issues that arise day-to-day within factoring and how, at times, quite differing perspectives on the very same matter can quickly arise, is of great relevance if these tasks are to be taken forward to everyone's satisfaction. In this context, it is also important to understand how to act in relation to any conflicts of interest that can arise, as well as having the ability to defuse and manage such conflicts and disputes. These elements are all tied in one way or another to the factors Code of Conduct, set down originally in the Property Factors (Scotland) Act, 2011. Given the central importance of the code to the day-to-day work of factors, and how its requirements embrace all such competencies. They are also core to the professional expectations set by The Property Institute (TPI) - technical expertise and competence, health and safety, ethical behaviours and ensuring a strong customer focus are embedded within their corporate expectations for all professional factors and property managers.

Upon completion of the Professional Diploma in Property Factoring students will thus have demonstrated core competencies relating to both technical building and legal matters, health and safety, delivering a professional customer service, and operate ethically throughout. Each of these themes are embedded and reinforced across all seven modules in both the associated individual and group learning activities.

Market for this course

The focus and thus market for this course are all those who work, or would like to work, in factoring and property management. This can be as full-time job, within a factoring business, or perhaps constitute a significant element within someone's day-to-day working activities, such as property maintenance staff. This new course should, therefore, be of interest to property management staff working in private practice, or within local authorities and housing associations. Further, it should also be of interest to architects, building surveyors as well as housing managers who, as part of their job, need to fully acquaint themselves with particular property maintenance and repair matters and practices. Given so much of their day-to-day work parallels aspects of the property management task, then this course will hold many attractions.

Professional Diploma in Property Factoring (SVQ level 4, SCQF level 8¹)

The Scottish Vocational Qualification (SVQ) Professional Diploma in Property Factoring (set at SVQ level 4, SCQF level 8) is explicitly set at Higher National Diploma level, which in study terms requires to be, as a minimum, the equivalent of one full-time year of Higher Education. The Total Qualification Time (TQT) expended needs to be a minimum of 280 hours. Candidates undertaking this qualification are required to demonstrate competence in six direct job-related skills areas, each of which is core to carrying out professional property factoring, as well as provide an opportunity to develop specific expertise within particular specialist areas. This course has been developed to support those working as first-line managers, section managers, assistant managers, trainee managers, senior supervisors, and those working in a range of other related property factoring and management positions.

Scottish Credit and Qualifications Framework

The qualifications framework is an outcomes-based structure which ensures a consistent qualification nomenclature, qualifications descriptors, and credits. The framework is, however, not intended to be, nor should it be used as a straightjacket. The descriptors of levels and qualifications, whilst setting out clear and meaningful reference points are nevertheless designed to be generic descriptors. Similarly, the credit definitions of qualifications are designed to set some minimum expectations in terms of overall volume and level of outcome.

Levels, level descriptors and qualification descriptors provide reference points for locating the 'level' of any group of outcomes (a qualification, module or other programme element). Credit points provide the associated measure for describing the volume of outcomes, not of study time. One credit point represents the learning outcomes expected to be achieved by the average learner at the relevant level in 10-hours of total learner effort. Overall, the framework has been designed to bring consistency and a common language within which organisations will describe the particular features and purposes of their individual programmes and qualifications. Full details of the SCQF and the level descriptors can be found at: <https://scqf.org.uk/interactive-framework/>

Course Synopsis

The general aims set for this course are to:

- Understand the institutional framework for providing property factoring services in Scotland
- Understand the operational arrangement employed to deliver property factoring services
- Appreciate and analyse the rationale behind public intervention in residential property and its management
- Critically evaluate the effectiveness of the different approaches employed to deliver residential property management

The generic learning outcomes upon completion of the course include being able to:

- Critically evaluate policies and practices relating to property factoring

¹ Details on Scottish Credit and Qualifications Framework (SCQF) see: <https://www2.gov.scot/Topics/Statistics/Browse/Lifelong-learning/StudyLevels>

- Develop personal communication skills in respect of negotiation and brokerage
- Enhance relevant problem-solving skills; self-management, and the ability to set and meet deadlines
- Utilise relevant software to support property factoring activities
- Be able to use, and critically interpret a range of financial data, including accounts with the aid of MS-Excel
- Engender a desire to assess and participate in Continuing Professional Development (CPD) that pertains to factoring services to further enhance your personal skills set

Module 1

Factoring, an introductory 'spine'

The Introductory 'spine' devotes two lessons within the block to providing an overview of the entire course, explaining how the subsequent six core competency elements collectively embrace the task of property factoring. A critical element considered within this context is the Property Factors (Scotland) Act, 2011 which not only defines who is a factor, but demands that all those undertaking such work are formally registered and adhere to the Code of Conduct that applies to all factoring activities. The 'spine', therefore, seeks to show how the various components that make-up property factoring are drawn together and blended. While the course overall treats the different elements as separate elements, in reality they all act and play off each other.

The remaining two lesson blocks then specifically address reflective practice and link this to property factoring. This is designed to ensure reflection and ethics are understood, right at the start, as core competencies, and are consequently utilised as a learning tool throughout the entire course, rather than be treated as a 'stand-alone' element. This module also provides instruction on how to use the various facilities available to the Moodle e-learning platform. As an introductory element this module is not assessed or examined.

Module learning outcomes: On completion of the 'spine' module students will be able to:

- Explain the key roles, responsibilities and activities relating to undertaking property factoring
- Identify core practical, reflective and personal skills required for undertaking professional work in property factoring
- Understand common ethical dilemmas encountered in delivering property factoring services
- Examine the skills involved in property factoring such as: communication skills; problem solving skills; leadership skills, such as chairing meetings, self-management, meeting deadlines; negotiation and brokerage skills.
- Apply critical skills to better understand how to apply both policy and good practice lessons to the day-to-day work of property factoring
- Recognise the importance of managing diversity and equality of opportunity

Module 2

Property factoring within its historic and legislative context

The focus here covers residential property law in Scotland and the regulatory framework which covers factors and other property professionals, after first situating it within its historical context. The six lesson blocks starts by providing a concise examination of property management issues within a Scottish context and, in particular, considers the importance and challenges represented by traditional tenemental structures, given their specific technical, managerial and social contexts. Consideration is also be given to international approaches to property management, given the value in seeing how similar issues are tackled within different contexts.

Tracing the development of factoring and property management over time, ensures a proper appreciation of why certain practices emerged and why in recent years these have come to be challenged. Of particular interest here is the increasing role of regulation, in its various forms, has come play in factoring work and how that, in turn, impacts on day-to-day work practices and procedures. It is important to show that the blend of public policy and private practice differs depending on the particular property context given the people who are working to address that particular issue. Much emphasis is laid on the current requirements that fall from the Property Factors (Scotland) Act, 2011 and its recently revised Code of Conduct.

Module learning outcomes: On completion of this module students will be able to:

- Critically evaluate the physical and social context historically which underlies poor housing conditions.
- Critically assess the development of relationships between housing form, the housing environment, the planning system and public management of housing neighbourhoods
- Understand the development of different forms of property factoring and property management within the current Scottish context
- Better appreciation of how current property factoring and management systems reflect the social and cultural context in which it operates

Module 3

Application of property law in factoring practice

A working understanding of property law is critical to being able to undertake factoring and property management, so three lesson blocks focus on this topic. These outlines the rights and responsibilities that fall on individual property owners from the modern Title Deed, and any collective responsibilities that fall from a Development Deed of Condition. A working knowledge of the common law, the Law of the Tenement, is also essential, notably in relation to common property, tenements, servitudes and real burdens. Appreciating the respective rights and responsibilities that accrue to the different parties is a central consideration here. Again, a key piece of legislation considered here is the Property Factors (Scotland) Act, 2011 and its Code of Conduct. Equally important are the Title Conditions (Scotland) Act, 2003 and the the Tenements (Scotland) Act, 2004

The other 'legals' addressed in this model cover the range of additional legal elements that are core to undertaking any property management endeavour, such as the Law of Agency, Contract Law and

Health and Safety. Finally, there is also coverage of public law, in respect of building and planning regulation and enforcement by local authorities, via the Housing (Scotland) Act, 2006, Housing (Scotland) Act, 2014, and the Civic Government (Scotland) Act, 1982.

Module learning outcomes: On completion of this module students will be able to:

- Understand the legal framework for housing policy that pertains to both residential and commercial property as well as the implementation of that body of property law
- Critically reflect on the scope for Scottish legal policy and practice towards delivering property factoring
- Understand and assess the relationships between stakeholders involved in property factoring, including understanding the mechanisms required for decision-making such as the role played by owners' associations and individual owners
- Appreciate the legislative framework underpinning planning and property conservation in Scotland
- Be able to interpret and apply property law to a variety of specific workplace scenarios drawing on recent Tribunal cases

Module 4

Managing factored property

This module considers the variety of management practices necessary to meet the requirements set by the Factoring Code. Hence, the code thus provides the framework for this module. The first of the six topics considered are an examination of the importance of and role played by the written statement of services. The second topic then looks in detail at both communications and consultation in delivering factoring services, critical elements to providing a professional, customer focused factoring service. Both financial obligations and debt recovery are then tackled in the third session, while insurance is the sole consideration of the fourth slot. The actual task of carrying out repairs and maintenance work are the focus of the fifth session, before complaints procedures, complaints resolution and the role played by the Tribunal conclude the module.

It is within this broad organisational framework that a factor, and the wider property management industry manages their time and workload and interacts with their clients, contractors and customers. The focus here is, therefore, to ensure factors appreciate the importance of fostering excellent customer relations through utilising effective communications at all times, and appreciate how to deal effectively and efficiently with any service complaints that arise. Drawing from the reflective practice and ethics material introduced in the spine module', this is then further developed to show its critical role in ensuring a clear customer focus. The learning here draws directly from practical organisational and interpersonal experiences. The importance of helping to create and then support resident associations, understanding the democratic structures necessary to build a consensus are often a pre-requisite to progressing communal property maintenance and repairs. Through undertaking this module, students gain an appreciation of the perspectives different stakeholders hold in factoring activities and equips them with the understanding and practical tools to negotiate within perspectives. Property management and maintenance, in general, is always the outcome of the interplay between resident aspirations for the building and what the factoring arrangements can deliver.

Module learning outcomes: On completion of this module students will be able to:

- Be conversant with the Property Factors (Scotland) Act, 2011 and its Code of Conduct
- Appreciate the variety of management practices that are necessary to meet the requirements of the Written Statement of Service, set down within the Factoring Code
- Understand the respective roles of managers and management, client and contractors, and other relevant stakeholders in the delivery of professional property factoring services
- Understand how organisational structures, budgets and cultures relate directly to organisational strategies and performance
- Identify and appraise how the impact of external and internal change/risk can affect routine management tasks and project delivery
- Gain key project implementation skills such as co-ordination, strategic planning, quality assurance and risk management
- Be able to apply key interpersonal skills and dispute resolution strategies required to mobilise, maintain and support effective residents' associations

Module 5

Building technology

The focus here is to ensure a clear understanding of the construction types, the core technical problems that emerge within a broad range of multi-owned property, and how such matters are best resolved. This module provides students with a working knowledge of typical flatted building construction types, from traditional stone to modern system builds. The module is designed to encourage a solid understanding of the various materials used in such constructions as the means to better understand their strengths, limitations and crucially their specific maintenance requirements. The life-cycle of the various components is, therefore, also a core consideration here.

Additionally, this module also cover the factorers role in managing grounds-only developments, and managing sustainable urban drainage systems (SUDS). All this work is designed to ensure factors recognise problems, by having the ability to understand and appreciate any defects identified by professional surveyors and/or architects, so are then able to offer third party support and assistance to owners. It is critical factors are able to appreciate the potentially serious consequences that can ensue if these property failings are not quickly and properly addressed. Extensive use is made of the resources provided by the '*Under One Roof*' website, which has been produced jointly by architect John Gilbert and housing researcher Annie Flint (<http://www.underoneroof.scot/>).

Module learning outcomes: On completion of this module students will be able to:

- Appreciate the broad range of multi-owned property types dealt with by factors, understand the core technical problems that emerge within such structures, and how these matters are best resolved
- Critically evaluate the construction and development processes employed to deliver both new build and the refurbishment of housing
- Appreciate the importance of quality in all housing construction and understand how decisions about maintenance, management and refurbishment are determined
- Understand the role of the property factorer in promoting safe and healthy building environments
- Critically appraise the concept of sustainability and assess its applicability to different property factoring tasks

Module 6

Health and safety

This module emphasises the critical linkages between both health and safety and fire safety protocols and its sequencing as a key part of the property management task. The module will be taken from the current TPI Leasehold Property Management Level 3 module, and adapted with specialist input drawn from the Working Group to meet the particularities of current Scottish context. It will then be redrafted to ensure it is in keeping with the house style of this course.

This two-stage process ensures the module meets with current Scottish Fire and Safety regulations, as well as drawing on the current Scottish Government Fire Safety Review, as well as the wider implications in respect of fire safety regulations falling from both the Hackett Review and the Grenfell Inquiry. Linkages where appropriate will be made within the other modules to ensure linkage and consistency.

Module learning outcomes: On completion of this module students will be able to:

- Appreciate the critical importance of both health and safety and fire safety within the day-to-day management of multi-owned property
- Understand the requirements of the factor in respect of health and safety for sub-contractors, residents affected by any works and the general public
- Appreciate the role and value of 'risk assessments' in the pre-planning and budgeting of minor and major works
- Understand clearly the legislation that governs both health and safety and fire safety and how that informs working practices in factoring
- Be aware of the potential changes that might impact on both health and safety and fire safety in the light of the Grenfell Inquiry and Hackett Report recommendations

Module 7

Finance and its Management

The central aspect of property factoring is having in place the financing arrangements which ensure that the necessary works can be undertaken. In this module consideration is given to the Written Statement of Service, and the contracts, fee collection arrangements, cost accounting and project funding that fall from this obligation. Different funding arrangements and practices are also reviewed, as is the operation of so-called sinking funds which can be attached to specific developments, and the legal and other arrangements that are typically tied to them. Attention is also given to the financial complexities involved in supporting owners take forward with the local authority's support a 'missing shares' procedure, under the 2004 and 2006 legislation. The critical role played by insurances, individual and collective is also explored given their importance within any property management concern.

Module learning outcomes: On completion of this module students will be able to:

- Critically evaluate the financial mechanisms employed in property factoring practice to fund: individual and common repairs; cyclical maintenance and wider renewal works
- Apply economic and financial evaluation to business operation and management decisions
- Appreciate how the operation of a range different financial elements and products delivers a property factoring service at an individual block/stairwell level
- Critically assess the changing nature of public policy interventions and their economic and financial consequences for both property owners and their tenants
- Critically assess how financial decisions affect the quality of property factoring services delivered to residents and other customers
- Understand the linked financial and managerial obligations set out under the Code of Conduct

Douglas Robertson, 25th April 2019