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YOUR NEWSLETTER FROM JAMES GIBB RESIDENTIAL FACTORS

SUMMER 2023



Welcome to all our valued customers to our summer newsletter, hopefully brighter days for us all and following a long hard winter, let us hope for happy times and a summer of sun and fun.

It has been one year since I took over the role of CEO at James Gibb. In this year, we have had three Prime Ministers, two First Ministers and a new King. We have also had real life people challenges, both personally within our organisation and our teams, but also as an industry. We are mindful of the challenges that all our customers continue to face with the cost-of-living challenges that continue to impact. Having been involved in the industry for more than 25 years, there have been many challenges and without doubt, the past five years have been the most difficult. We have had the Grenfell tragedy, then the COVID years, both of which have had major impact on all our lives in different ways and now we are working through spiralling costs in all aspects of daily life. The unintended consequences of Brexit followed with rising costs and labour market challenges have been

felt by many people and organisations. In our industry, these challenges have had a significant impact on the insurance and housing markets, on our recruitment, on our staff well-being/mental health and in some areas of the business these have impacted our ability to deliver the best service we can.

Recovery and Challenges

As we continue to work to recover from these challenges, the volatility and turbulence in the utility marketplace has been hard to work through for us; our challenge has been to secure the best value contracts for the supply of electricity at a time when prices have changed often, and contract terms have varied almost weekly. At the end of this Newsletter edition, we have provided an example of these utility challenges in our Fact or Fiction section. Please do read this as it is important to understand the role of James Gibb, homeowners and suppliers and the requirement to work together to get through this difficult time.

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doing it
the right way



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Last year at the start of my time as CEO, I confirmed to our customers my commitment to you. I confirmed I have a clear commitment to listen, learn and adapt, with continuous improvement remaining at the core of my leadership and that of our directors and staff, ensuring we are a business that places people and service delivery, first.

At James Gibb, we recognised we had to improve our processes and procedures, and this was our opportunity to re-engineer our structure, systems, and processes to make sure we were set up in the right way, to do things the right way. In the past year we have increased our visibility on developments; increased our Annual General Meetings; created tracker documents for the majority of our developments which enable us to 'track' all ongoing plans and actions and can be found on our JG+ client portal. We have also reviewed our developments assets and much more.

We have changed how we work by creating Property Portfolio Teams. These are a dedicated team made up of Development Managers, a Property Finance Assistant and a Property Assistant, applying their skillset to the management and maintenance of a portfolio of developments. I am confident these improvements will be apparent to all customers, but you can expect more to come this next year, as we invest further in our IT infrastructure, improve office accommodation, invest more in the training and development of our staff via internal training and IRPM qualifications, use the feedback from user focus groups to help us develop what we do and how, and consider how we can offer full building surveys at reduced cost to help us have a comprehensive understanding of what building maintenance is needed going forward.

By listening and learning from our customer feedback we will always aim to change and adapt. We aspire to get it right, first time, every time; 'Doing it the right way'.

Thank you again for your ongoing support, your custom and your patience.

David Reid, Chief Executive at James Gibb

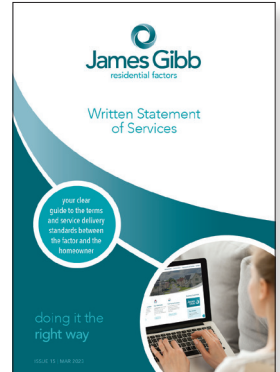
Written Statement of Services (WSS) UPDATE

We amend our WSS following a review of what is working well and what is not working so well at James Gibb.

We have just completed our latest update, Issue 15, which you will find on our website, in the documents and guides tab, and in your James Gibb+ Portal. This revision, as noted above, is slightly different from past changes. We have taken the opportunity to review in much more detail as we adapt and improve our service delivery while being mindful of The Scottish Government updated version of the Code of Conduct which accompanies the Property Factors (Scotland) Act 2011.

Please take the time to read and understand the contents of the document. Our WSS details our commitments to you and outlines levels of service, timescales and application of costs. It is important that we work in accordance with the WSS and that you are fully aware of what you should expect of our services.

Details of the Code and its amendments are available online at www.gov.scot or by searching for "Scottish Factors Code of Conduct changes".



If you would like a copy of our version history amendments (Issue 11 - Issue 15), please contact your regional office who will be able to supply you with a list of the changes.

Insurance Renewal

In a difficult marketplace James Gibb continues to do it the right way.

The insurance policy/premium renewal date is 27th May 2023. The insurance marketplace has, since the turn of the year, been closely monitored by the Secretary of State for Levelling Up, Housing and Communities, Michael Gove, who has been working with industry bodies to seek a noticeable improvement in the premiums and products being offered. We commenced our renewal programme in January 2023 this year and have had a few months of negotiations.

The UK and Global Insurance market continues to be very challenging and has in recent years, had a number of issues to confront such as, reinsurance cost rising significantly due to substantial losses by insurers, COVID losses by insurers, reduced choice in the market because of insurers removing themselves from the residential marketplace, external wall system (cladding) challenges, increased material costs, global instability and more.

We are aware that our industry and competitors have had the same challenges and the largest impact on premiums this year has been the index linking on the insured value of buildings. Originally our preferred insurer was requesting over 10% index linking in line with the market, but we have managed to negotiate a reduction in this to 8.5%. This is because of our revaluation programme which is due to complete this year. This index linking (or indexation) is the alteration to an asset's value, in order to reflect effects of current inflation and as in the unlikely event of a partial or substantial loss it reflects the increase in cost to rebuild the same. We have minimal influence over this aspect of the cost rise, nor over Insurance Premium Tax that is set by the insurance marketplace.

As we confirmed in the last two years, many insurance companies have been leaving the residential communal building insurance market. Our broker - Marsh - has tracked the marketplace and approached different insurers tendering our customers need. Many declined to tender or confirmed larger than normal premium uplifts.

Successful negotiations

As a result of our negotiations, our current insurer Protector have agreed to an extended deal with James Gibb, with a reduced maximum increase of 10%, down from last year's 15%, subject to the claims experience of individual developments. For the second year running, recognising the challenges of this cost increase, together with the rise in the cost of living has had on our customers, James Gibb and our broker Marsh have agreed to reduce the commission further this year, which will minimise the increases applied by the insurer. See **Fact or Fiction** (page 4). This will reduce the increase to approximately 8% before index linking and insurance premium tax and is subject to individual developments claims experience.

A lot of work has been completed in the last year as we continue, alongside Marsh and Protector, to focus on a risk management programme for those developments with the most/highest level of claims. We have invested in water guards for high escape of water developments, CCTV installs in high vandalism developments and contributed to external wall system surveys. Further investment will be provided this year.





Fact or Fiction – dispelling the myths!

Utilities has been one of the biggest recent challenges we have faced in our industry. Our remit is to seek the best rates we can for homeowners. We work closely with our utilities broker, Indigo Swan. They are market experts and track the market to seek the best value contracts for each meter on each development whenever they are due for renewal. It is in our best interest to ensure the lowest cost for homeowners.

The market in the past 12+ months has been exceptionally turbulent and volatile. Any developments coming out of a contract were being subject to major price hikes of up to 150%. When rates in the past have been offered on new contracts, 30-60 days were provided, allowing time to review them and where required consult developments and homeowners. In the current climate utility companies were offering as little as 48 hours before changing the offer. We have had circumstances where contracts have remained at 'out of contract' rates, a result of some utility companies being more communicative than others. Every stakeholder involved in this marketplace has been challenged by this.

Myth: That James Gibb is responsible for increased rates and benefit from this global challenge.

Fact: This is not the case. In past years contracts changed regularly but any increase in cost was not so noticeable and at most hundreds of pounds a year variance.

The factor is the property manager acting on behalf of the homeowners and is responsible also for managing the funds, ensuring the best service and cost. The price we pay on behalf of homeowners to utility companies is the price homeowners pay. The invoice which can be viewed on the portal or on request, is paid from the estate/development/block funds direct to the supplier, with no commission or add ons.

Myth: That the float increase for some developments this year was James Gibb generating more income.

Fact: This is not the case. The recent increased cost for insurance and utilities indicated to us that that the original float level was insufficient to provide funds available in the period. Please see our 'float payment explained' [video](#) on our website.

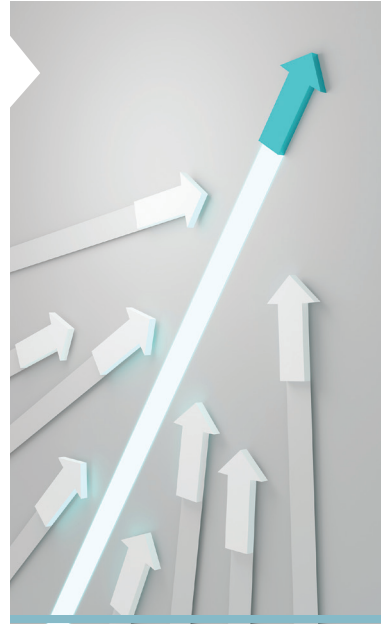
Leading the Way in the Industry

In recent months we have had some great news at James Gibb.

At the Annual Property managers Association Scotland Awards, which is recognition of the work by property factors, awards are given to individuals and organisations who have excelled in delivery.

Jacqui Stead, Business Development Operations Manager, won the 2023 PMAS Excellence Award for Support Staff Member and Ronald Dalley, Senior Development Manager, won the 2023 PMAS Excellence Award for Property Manager of the Year.

In Late 2022, David Reid, CEO was appointed onto the Board of Directors at The Property Institute, formed earlier this year because of the merger in England of The Association of Residential Managing Agents (ARMA) and The Institute of Residential Property Management (IRPM). TPI (ARMA/IRPM) is the leading professional body for residential managing agents in England & Wales.



Managing Fees for Service Provision

As noted on page 1, the biggest challenge that we face, not just our customers but also our staff, is the cost-of-living. This continues to impact us all. In March 2023, CPI was 8.9% and March 22 it was 6.2%. RPI was 13.5% in March 23 compared to 9.0% in March 22. By 2024, living costs should be increasing by less than household incomes as inflation rates fall. However, in 2023 prices are expected to remain high and falling inflation only means prices are rising less quickly, not that they are falling. Our annual review of management fees has always been in late autumn. However, to align with our internal financial planning timetable and annual staff salary adjustments, we will be bringing forward our management fee change by a few months to take effect from 28th May 2023. We will notify all impacted homeowners via the JG+ portal to advise of any changes in management fees prior to application. This is specific to our fee for services provided, noted as 'management fee' on your invoice.



Buildings Insurance

'TOP TIPS' on how to prevent insurance claims

Don't get caught out, here's some important and very helpful tips on how to prevent buildings insurance claims.

Buildings Insurance is in place to repair damage caused by insured events such as storm damage, fire, vandalism, escape of water and flood. Many of these events can be unforeseen and out-with your control.

The Majority of all insurance claims within blocks of flats are due to damage caused by water leaks (Escape of Water). Water damage can cause substantial damage and costs, not to mention disruption, stress and possible conflict between neighbours. So, it is important to carry out regular checks within your property that can help prevent making insurance claims, or at least minimise the resultant damage.

Together with our insurance broker Marsh, we have compiled some important and very helpful Top-Tips on how to prevent insurance claims.



Kitchens

1 Frequent vibration from a washing machine can cause plumbing to become loose. So, it's worth carrying out frequent checks on the water hose as this is a major cause of leaks.



2 Check the mastic beads around your kitchen worktop and around your sink. Water can penetrate through weak or damaged points in the mastic and has the potential to damage cupboards and flooring. The areas of damage are more likely to occur around areas where water is used frequently; taps, draining boards, kettles.

3 Under the sink is usually the central plumbing hub where your dishwasher and washing machine, isolation valves and the waste from your sink, are usually located. Carry out a thorough inspection to make sure there are no visible leaks.

Radiators

1 Check your radiators, valves and exposed pipework for leaks and any signs of corrosion and rust. Leaking radiators must be fixed. The damage to flooring, carpets and floorboards could be a lot more serious and expensive than you might think.



2 It is a legal requirement for landlords to have their boiler system serviced once a year. For homeowner occupiers this is not a legal requirement. However, boiler systems should be serviced regularly, as this will help identify possible faults or leaks.



Water Supply

Being able to turn off the water supply easily, if water is leaking, could save thousands of pounds of damage and reduce insurance premiums. So, what do you need to know about the stopcock valve in your property?



1 Know where the stopcock valve is located. Speedy access can reduce water damage. Make sure family members know where the stopcock valve is located.

2 Is the stopcock valve easy to turn, or is it rusted? It is good preventative maintenance to spray WD40 or similar agent around the valve.

3 Carry out an annual test of the stopcock valve.



JG+ Access and Invoice/ Document Change - Protecting our Clients

From May 2023 we will be making slight changes to our invoice templates and other communications issued to you.

Currently we display both your client account reference number and JG+ number on the face of our invoices and other communications issued. Both these numbers are required for clients to successfully log in to our JG+ client portal. To ensure the ongoing security of our client portal we will be removing the JG+ number from our communications. You can continue to utilise your current JG+ number to successfully log in and will now have the option to change this if you wish to update this to a secure, personally selected password for future use. This enhancement to our security settings will ensure the ongoing privacy of our client data.

In addition, we will also be displaying our bank account name of James Gibb Property Management Ltd. This is the payee name required by clients when instructing online payments for settlement on our invoices invoices.

Bathrooms and Toilets

1 Check the mastic beads around your bath and shower, these allow water to run from your tiles and back into the bath or shower tray. If the mastic seal has imperfections or is damaged, water will always find a way to run down the back of your bath or shower, and eventually make its way through the ceiling below.



2 Check the grout on tiled surfaces especially around wet areas. Gaps in grout can run the risk of water leaking into the room or property below.

3 Check toilets. Listen out for irregular sounds during the flush cycle. If it takes longer than normal to refill, or you notice a humming sound, the valve may need replacing or adjusting via the inlet washer.



4 Cracks on tiles/wet wall can lead to water seeping through and causing damage to your own property or the property below

5 Dripping taps are often caused by faulty valves.

It is always advisable to instruct a professional tradesman when carrying out works.



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doing it
the right way

Annual Charity Donations

As part of our commitment, each year we support deserving charities that are nominated by our customers.

As in previous years, we again ask that you consider nominating a local charity or a charity that has helped you or your family. James Gibb will donate £500 to two charities from each of our Regional Offices (Edinburgh, Glasgow, Aberdeen and Dundee) and these will be chosen at random from the nominations we receive from you. All we ask is that you send your suggestions, either by letter or email to your Regional Office, along with your name and account number (or property address) by 7th July 2023 and we will randomly select after that date. As before, we will publish your name and development along with your chosen charity in our next newsletter.

£500 can make a significant difference to some charities, therefore please send us your nomination. It really can make a big difference.



Keeping your Contact

Details Up-to-Date

It's really important that we have current contact details for our homeowners to allow us not only to send you information relating to your property or development and service charge invoices, but also to contact you in the case of an emergency.

If you change your email address, telephone number, your forwarding address or your letting agent, please email the regional office who manage your property to advise of your new contact information.

For Data Protection reasons, we can only deal with the owner of a property, unless you have advised that someone else (e.g a relative or a letting agent) can speak to us on your behalf. If you would like to add an authorised person to your account, please email your regional office advising of the details of the person or company you would like to be noted on your account.