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Registered property factor no: PF000103

YOUR NEWSLETTER FROM JAMES GIBB RESIDENTIAL FACTORS

SUMMER 2022

## WELCOME

**David Reid**

New Chief Executive



I am pleased to be writing my first newsletter to our customers, having taken up the position as CEO of James Gibb on 1st April 2022. I want to take this opportunity to thank Douglas Weir for everything he has delivered in his time as Chief Executive; he has led James Gibb since 2012 and during that time, the company has grown significantly and is now one of the largest property factoring businesses in Scotland.

I also want to thank our customers for your continued support and patience as James Gibb like many organisations, faces some

particularly challenging times. We are in the process of recovery from a global pandemic and working hard to address the backlog of work, increasing material and supplier costs and more recently, the hardening of the insurance and utility markets. All of these have affected our service delivery in one way or another.

As a result of these and other challenges, and from listening and learning from our customers, I would like to set out what I see as our priorities going forward.

**David Reid**  
Chief Executive

## Continued investment

We have invested substantially over the past 18 months, redesigning our business structure, systems and processes. We have significantly enhanced the remit of our Regional Teams and have created local Property Portfolio Teams who work to ensure we are delivering the best possible customer service. These teams include:

- **Development Managers - estates management knowledge**
- **Property Finance Assistants - financial skillset and developments knowledge**
- **Property Assistants - connecting clients, developments, and contractors**

We continue to improve our approach to communication both within our business and externally with clients, contractors and stakeholders. We continue to invest in our information technology infrastructure and how our central finance and business support services work; all with the clear focus of driving improvements in how we work and in the services we deliver.

### My pledge to you

I have a clear commitment to listen, learn and adapt – continuous improvement is at the core of my leadership, ensuring we are a business that places people and service delivery first.

Many will be aware of how the national and global challenges the UK economy faces are impacting service delivery in various areas of our lives. It must be recognised that many organisations have had to change their operational processes to accommodate these external influences.

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. I am confident these improvements will be apparent to all customers.

We may not get it right all the time, but we aspire to strive towards getting it right, first time, every time; 'Doing it the right way'.

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



# Environmental Social Governance Policy

James Gibb continues to take strides forward with the move away from paper-based transactions to a more efficient automated paperless process.

## Paperless Direct Debit

Our latest innovation is the introduction of paperless direct debit sign up. Whilst we already offer direct debit as a payment method, the introduction of paperless sign up makes the direct debit instruction process more efficient and much easier, as it removes the requirement for paper-based transactions and their associated administration.

## Go paperless

The move away from paper-based transactions to a more efficient automated process realises many benefits for our customers, such as:

- Safe and convenient way to pay a service charge account
- Never forget to pay a service charge account
- Avoid reminder letters and late payment charges
- Protected by the 'Direct Debit Guarantee'
- Flexibility to pay monthly or quarterly
- Advance notification ahead of agreed collection date and any amendments to the figure
- Future proofed as traditional payment methods are phased out
- Environmentally friendly

With a focus on our Environmental, Social and Governance Policy we will now be applying a charge of £1.50 plus vat per service charge invoice to non-retirement developments. This is part of our commitment for as many as possible of our customers move to electronic engagement.

Where we do not wish to reduce our clients' options for communicating with us, we are keen to ensure that we reach a paperless approach as an organisation. The software platforms we are working on currently, offer the efficiencies in communication that are provided via electronic engagement.

Make life easier, less costly and cleaner. Sign up for paperless and direct debit paperless today!

Log on to our client portal **James Gibb+**

Talk to one of our finance team on  
**0333 240 8325**

Get more information on paperless direct debit sign up at [directdebit@jamesgibb.co.uk](mailto:directdebit@jamesgibb.co.uk)



## Block Insurance Renewal

There is no easy way to deliver news on service costs when you have markets – such as insurance, or utilities (gas, electricity), influenced by the global economy.



In February each year, we enter negotiations with our insurance broker, to ensure we can obtain the best overall deal on our Block Insurance Renewal Policy, which renews on 28th May each year.

### **Michael Gove reaches out to the Insurance Industry**

Many of our customers may be aware that Michael Gove, Secretary of State for Levelling Up, Housing and Communities within the UK Westminster Government, had written to the insurance industry to request they consider carefully the increases in insurance premiums/policies. This is because the insurance market continues to 'harden', with limited let up, following challenges like Grenfell and the impacts of the COVID pandemic. Much of this is driven by Professional Indemnity concerns for insurers and many involved in the residential property management industry have been withdrawing from it.

### **Block Insurance Renewal 2022**

We are aware that our competitors have been exposed to the same challenges and have confirmed in some cases that they face insurance premium price increases of 30-40% this year. In addition, the market has applied 8.5% index linking this year, a significant increase on last year. This percentage is applied to the rebuild valuation of developments by insurance companies, ensuring the building has the correct properly insured value. Rising costs in materials etc has caused this increase. James Gibb has no control over index linking, as it is market led.

As noted above and as we confirmed last year, many insurance companies have been leaving the residential building insurance market. Our broker - Marsh - has tracked the marketplace

and sought to tender our needs with other insurance companies. As a result, our current insurer Protector have agreed to an extended deal with James Gibb, with an agreed maximum increase of 15% subject to the claims experience of individual developments. Recognising the challenges this cost increase, together with the rise in the cost of living, will have on our customers, James Gibb and our broker Marsh have agreed to reduce the commission we receive to reduce the increases applied by the insurer. This should reduce the increase to approximately 9.45% before index linking and Insurance Premium Tax.

### **Risk Management Programme**

As has been the case in previous years, most insurance claims result from escape of water from private dwellings. This is frustrating as most of these are completely avoidable with some simple preventative maintenance, for example repairing bath and shower seals, checking washing machine/dishwasher connections, and regularly servicing boilers can have a major impact and reduce the likelihood of any water incidents occurring.

As high claims lead to high premiums, we are working with Protector on a Risk Management Programme, to reduce the volume of such claims. We have programmes already in place to address issues that arise in developments that have previously had a higher number of incidents and this should help reduce their claims experience.

### **Preventative Maintenance**

We would once again ask that all homeowners ensure they have a preventative maintenance plan in place and check appliances for early

signs of problems. This plea is especially extended to Landlords who have a duty to ensure their properties are properly maintained.



See overleaf for Top-Tips on how to prevent  
Escape of Water insurance claims.

### Insurance claims' level determines increase %

We have examined the claims' experience within each of our developments and will apply the overall premium increase fairly. Those developments with a high claims experience may see an increase in excess of 13-15%. Developments where the claims experience has been low or zero, will benefit from a lower increase.

Our commission levels can be found in your **Written Statement of Services / Development Schedule**, at your **James Gibb+ Portal** or by contacting your regional office.

Also, your new Schedule of Cover / Insurance Certificate, which provides details of your premium, sum assured, and level of cover, is available on the JG+ Portal or by contacting your regional office.

For those living in houses, your Public Liability (POL) renewal is unaffected by the premium increase.



# Corporate Social Responsibility

# Ukraine Charity Appeal - A story of giving

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.

What could be a more deserving cause right now, than the plight of the Ukrainian people? Seeing the devastation of the war unfold in Ukraine and the many lives affected by it, colleagues at James Gibb residential factoring needed to act.

Jacqui Stead, Business Development Operations Manager at James Gibb orchestrated this fund raising and found a local registered charity, Glasgow the Caring City. A team of people who for 20 years have specialised in working in crisis zones and who were doing wonderful things to ensure humanitarian aid was getting through to the Ukrainian people who most needed it. The Charity was partnered with itison, Scotland's daily deals and events site, to promote its Urgent Ukraine appeal: £5 for hot meal & aid pack. This initiative was exactly what we were looking for. Knowing that 100% of the funds we raised would be paid directly to the Charity, we were confident this was the best donation platform for our fundraising efforts.

All Jacqui had to do then, was motivate the generosity of the James Gibb team, which of course was easy; raising £540 in the process. Generosity knows no bounds at James Gibb as our Board of Directors doubled the money raised to £1080, which was donated in full to the Charity Appeal.



# Water Water Everywhere...

Some helpful Top-Tips on how to prevent  
Escape of Water insurance claims.

## Bathrooms and Toilets

- 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.
- 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.
- 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.
- Dripping taps are often caused by faulty valves.
- It is always advisable to instruct a professional tradesman when carrying out works.

## Kitchens

- 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.
- 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.
- 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.

## Radiators

- 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.

## Boilers

- 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?
- Know where the stopcock valve is located. Speedy access can reduce water damage.
- 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.
- Make sure family members know where the stopcock valve is located.
- Carry out an annual test of the stopcock valve.



## Our Commitment to the Factoring Industry

James Gibb continues to lead the way within our industry with some of the most senior leaders in our business holding prestigious positions on the Board of the Property Managers Association Scotland (PMAS).

Nic Mayall, Executive Director of Operational Delivery and Performance is currently President of the Association and Jacqueline Borthwick, Client Assets Director along with David Reid CEO, also sit on the PMAS Board.

Through PMAS (the leading trade association for Factors in Scotland) and often in collaboration with Scottish Government, we have been working on industry education and training, the cladding crisis, legislation and regulation to improve our industry.



### Forward thinking

It is our aim to create great trust and confidence in what is a modern and forward-thinking industry; to dispel the myths that surround factoring firms in their management of freehold tenure in Scotland. For example, there is a common belief that all funds paid by homeowners to their factor is revenue received by the factor. This is simply not the case....

Freehold tenure in Scotland is very different to leasehold tenure in England. The duty holders for common land in England are the landlords; however, in Scotland, the duty holder for common land are the collective homeowners within a block/development/estate. The factor's remit is to manage the block/development/estate for and on behalf of the collective duty holder/homeowners, with a view to supplying facility management and maintenance services to sustain and possibly improve property values, whilst providing guidance on legislation and regulation.

### Mini business

Each block/development/estate is viewed as a 'mini business', where income must match expenditure, for the services delivered. When a homeowner does not pay their invoice, this affects their own 'mini business' funding, which could in turn impact service delivery.

James Gibb is contracted to manage this 'mini business' and ensure that on behalf of the paying homeowners, we recover all outstanding funds. This ensures sufficient funds are always available to supply the services delivered.

Our fee for managing the development is detailed within your invoice as a 'management fee'. When you pay your invoice, your money is paid directly into your development fund. As an example, the price the homeowner pays for landscaping, is the price the landscaper charges. The price we pay on your behalf, is the price you pay. **Our James Gibb+ Portal/App** gives homeowners access to all relevant contract and invoice information, in the management of your development.



### 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)  
[directbdebit@jamesgibb.co.uk](mailto:directbdebit@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)

#### **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  
2 Thistle Street, Aberdeen AB10 1XZ  
Tel: 0333 240 8325  
Email: [aberdeen@jamesgibb.co.uk](mailto:aberdeen@jamesgibb.co.uk)

#### **Dundee**

James Gibb residential factors  
Unit 20 Prospect 111 Gemini Crescent  
Dundee Technology Park Dundee DD2 1SW  
Tel: 0333 240 8325  
Email: [dundee@jamesgibb.co.uk](mailto:dundee@jamesgibb.co.uk)

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 and 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 2nd July 2022 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.

