Queens Cross Factoring

YOUR PROPERTY MANAGER OF CHOICE

BUSINESS PLAN 2025 - 2030

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Welcome to Queens Cross Factoring.

Over the past five years we have increased the number of properties we manage by 187 with owners in the Charing Cross area being a significant part of this growth. This means we now factor 2,700 homes across northwest Glasgow.

Over the next 5 years covered by this business plan, our main aims will continue to be improving and growing our service

By providing a service to more owner occupiers we can generate more income to support the activities of the wider Queens Cross Group. This helps improve the lives of everyone who lives in the area.

From 2025-30 we will explore other new factoring related income streams and services and expand our portfolio of mid-market rental properties.

Growing the company has more benefits than simply raising our income. A growing company is more attractive to work for. This is a key consideration for us as we are faced with recruitment and retention challenges due to labour shortages across the construction industry. Growth and diversification will be a key driver in helping us address this.

Growth will not be achieved without challenge. International instability and inflation driven cost rises mean construction materials are likely to see further increases. To avoid passing these costs on to our factored customers, we will work smarter using new technology to be more productive.

Even in the face of these challenges the Queens Cross Factoring team is well positioned to seize opportunities to develop new business over the course of this plan.

Anne Rawsey

Chair
Queens Cross Factoring

CHIEF EXECUTIVE'S FOREWORD

Queens Cross Factoring plays a key role in the wider Queens Cross Group. It is the key interface between the Group and owner occupiers in the area.

Every part of the Queens Cross Group contributes to improving the lives of people living and working in the area. The Group provides essential services and environmental improvements, support to individuals and businesses that enable our diverse communities in northwest Glasgow to thrive.

Our neighbourhoods belong to everyone. Many of the housing association's homes are in mixed tenure blocks and our role is to provide services to owners, ensuring their homes and neighbourhoods are well maintained alongside housing association tenanted properties We represent owners' interests and work with Queens Cross Housing Association to protect and improve the built environment, and create thriving, dynamic neighbourhoods that all Queens Cross residents can enjoy.

Queens Cross Factoring connects owners to community-led improvements. Our neighbourhoods face many challenges, and we want owners to be at the centre of local decision making, enabling them to play an active and equal part in proposed solutions to challenges and opportunities.

Over the past five years we have made huge strides in transforming Queens Cross into an area where people want to live, work and spend their leisure time.

Queens Cross is becoming one of the most desirable quarters of the city and we believe homeowners must be at the heart of this transformation. Over 2025-30, Queens Cross Factoring will pay a critical role in seeing they continue to do so.

Shona Stephen

Chief Executive
Queens Cross Factoring

WELCOME TO THE QUEENS CROSS GROUP

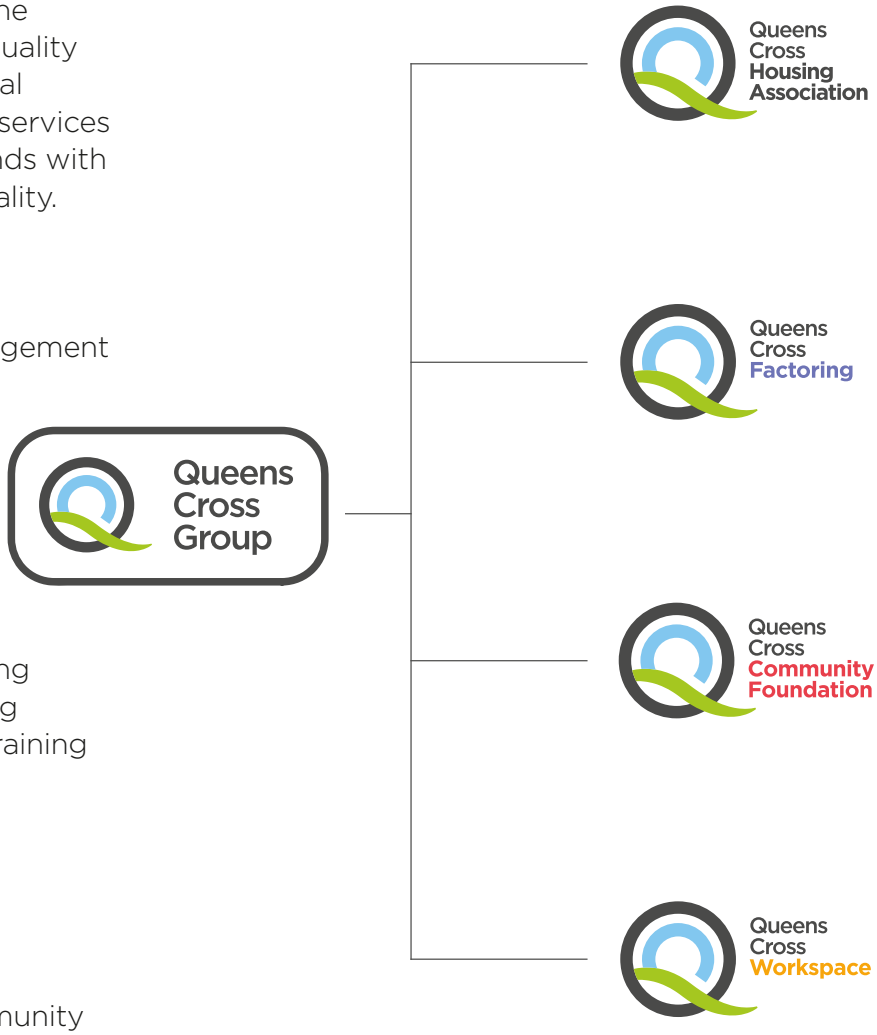
The Queens Cross Group is made up of four partner organisations working together to improve lives through high quality housing and neighbourhood services; bringing employment and business opportunities, creating an environment that benefits local people and communities.

QUEENS CROSS HOUSING ASSOCIATION:

The parent company of the Group, the Housing Association provides high quality social housing, place-making, financial inclusion, community and wellbeing services for people of all ages and backgrounds with a strong emphasis on tackling inequality.

QUEENS CROSS FACTORING:

Provides high quality property management services for private homes and businesses in Queens Cross and surrounding area.



QUEENS CROSS WORKSPACE:

Supports the local economy, providing affordable business space, generating opportunities for employment and training to reduce the impact of poverty.

QUEENS CROSS COMMUNITY FOUNDATION:

A grant giving charity for local community projects, individuals and voluntary organisations to support those who are disadvantaged or have specific needs.

SHARED VISION, SHARED VALUES

The Group Plans are the result of consultations and conversations with our customers, staff and Board members.

With their knowledge and insight, we've constructed our evidence-base and developed cohesive business plans that address the challenges and opportunities we expect to see in the next five years.

This plan for Queens Cross Factoring reflects our agreed vision and values and contributes to achieving the five Queens Cross Group objectives.

OUR VISION } **Excellent housing in vibrant communities**

OUR VALUES

Our values guide everything we do. Whenever we make decisions, we refer to these values to make sure we are doing the right thing.

RESPECT

We see the positive in everyone, we treat everyone fairly regardless of age, race, gender, sexuality or background. We ask for opinions even though we might not like what we hear. And we address people's concerns in any way we realistically can.

INTEGRITY

What we say in public is the same as we say behind the scenes. If we say something we mean it. Our customers can count on us to solve their problems and make sound decisions.

ASPIRATION

We seek new opportunities and welcome change. We want the best for all our current and future customers. We are not afraid to strive for things that won't be easy or try things that haven't been done before. If it doesn't turn out as planned, we learn and improve. And then we try again.

OBJECTIVES

- Building and sustaining popular neighbourhoods
- Creating and supporting greater life opportunities for all
- Developing greener spaces and community wellbeing
- Being a dynamic and listening community partner
- Treating people equally and with respect

ABOUT QUEENS CROSS FACTORING

Queens Cross Factoring Ltd is a property management company operating in north and west Glasgow.

We provide a common repair and general property maintenance service to 2,700 privately owned residential and commercial properties.

Services include building management and insurance, maintenance of common areas, as well as major repairs projects such as reroofing or stone repairs. Part of the Queens Cross Group, it is governed through a voluntary Board of six Directors, three of whom are drawn from the Housing Association's main Board and three are drawn from the wider community, but all with the expertise and enthusiasm to shape the property management service to meet our customers' needs. It is a registered Property Factor (PF000258) and is governed by the Factoring Code of Conduct and provides all owners with a Written Statement of Service which is a summary of the services provided.

Queens Cross Factoring was created by Queens Cross Housing Association (QCHA) to meet the needs of owners by offering effective property management for multi-owned and mixed tenure blocks. Focusing particularly on tenement properties initially, this partnership helped protect the historic character of Queens Cross, maintaining and improving housing quality in the area.

Following stock transfers of estates at Dundasvale and Woodside to QCHA and taking on management for owners in Wester Common which had previously transferred to QCHA, Queens Cross Factoring has extended its service to a wider group of owners, with properties in multistorey, deck-access and maisonette blocks. Recent years have seen the company take on the management of a number of new build flatted blocks, and shared equity homes, as well as fully factored (i.e. with no QCHA ownership) tenements.

Queens Cross Factoring is also a landlord in its own right, having bought twelve one and two bedroom flats, which it operates as mid-market rental properties.

Working hand in hand with the housing association, it has built a solid reputation and through effective service delivery it can help influence neighbouring homeowners to manage and maintain their own properties to the same high standard.

This seamless approach to common maintenance in such a diverse environment underpins the success and sustainability of our neighbourhoods at Queens Cross.

CHALLENGES AND OPPORTUNITIES

Operating a factoring service for 2,700 owner-occupied properties in Glasgow presents significant opportunities.

Expanding the number of properties QC Factoring manages is our biggest ambition over the course of this plan. This could involve expanding the business further within the Queens Cross area and beyond into other parts of the city and is something we will assess in the first two to three years of this strategy.

There is also scope for broadening the type of service offer to customers. There are a number of tailored bespoke services that could be offered on top of what is already provided. These new types of services will require investment but could become a valuable additional income stream to benefit the wider Queen Cross community.

Over the next five years QC Factoring wants to improve its knowledge and understanding of customers, as well as customers' knowledge and use of our services. By engaging more effectively with customers, staff can build a picture of their needs and, in turn, offer better services.

We recognise that not everyone wants the same service in the same way, and we aim to develop new ways of contacting us to give more flexibility and service options.

It matters to customers that they are listened to and that we are open to change. By improving customer conversations, it will be easier to track service performance and put things right quickly and effectively where needed.

To help achieve this, we will make better use of new technology to get to know customers better and to provide more information and service updates. We will do this by continuing to develop the Queens Cross Factoring App and website, which provides currently 24/7 contact for 1274 registered users. We will also introduce online Property surgeries as well as more regular feedback surveys.

At the same time, it exposes QCF to several key strategic and operational challenges.

Below is a breakdown of the greatest foreseeable challenges and suggested strategies to address these which reflect our aspirations.

CHALLENGES

1.0 Affordability and Ability of Owners to Pay

- Many owner-occupiers are on fixed incomes or in lower-income brackets.
- Economic pressures such as inflation, rising energy costs, and interest rates (impacting mortgage repayments) reduce disposable income may deprioritise factoring fees.
- Increasing service charges without maintaining service standards and providing the required transparency could trigger disputes or refusal to pay.

SOLUTIONS

Early Engagement & Communication: Proactively engage owners about upcoming costs, explaining rationale and value, to reduce disputes and defaults.

Debt Recovery Protocol: Have a firm but fair arrears process, early intervention for late payments; automation of reminders and phased escalation procedures.

Education Campaign: Clear communications explaining what services are provided, legal obligations, and benefits.

Tiered Payment Plans: Flexible payment options or direct debit schemes with built-in hardship support.

Reserve Funds: Where possible establish sinking/reserve funds for long-term resilience against missed payments and to reduce the financial shock of major repairs.

2.0 Ageing Building Stock & Increasing Repair Demands

- Much of Glasgow's tenement stock (including post-war flats and 60s/70s blocks) is nearing the end of its lifespan.
- Common issues: roof repairs, damp, drainage, close decay, and unsafe cladding. These issues are costly and disruptive and can create differences of opinion between owners about level and specification of repairs required.
- Energy efficiency upgrades will become increasingly necessary due to climate regulations.
- Unexpected major works can create large one-off charges, causing financial difficulties for owners and sparking disputes.

SOLUTIONS

Asset Condition Audits: Undertake regular independent conditions surveys and create 5–10 year maintenance plans with owners to forecast and prepare.

Capital Project Management Expertise: Invest in staff who can scope, procure, and manage large projects to reduce cost escalation.

Digital Asset Management: Use of software to track building condition, flag issues early, and budget accurately.

Grants and Government Schemes: Actively pursue available funding (e.g., Voluntary Tenemental Repair Scheme, Scottish Government energy efficiency/cladding grants).

3.0 Legal & Regulatory Compliance (and Reputation Risk)

- Increasing regulation (e.g. Legal obligations for owners, Scottish Housing Quality Standards, energy efficiency targets, cladding regulations).
- Owners are becoming more aware of their rights.
- Scottish Government could expand regulatory requirements (e.g. mandatory sinking funds, energy efficiency standards).
- Public review platforms and social media increase exposure to reputational damage.
- Stronger enforcement and financial penalties by the First-tier Tribunal if owner's complaints are upheld.
- Risk of being struck off the Scottish Property Factor Register due to breach of the Code of Conduct.

SOLUTIONS

Compliance Framework: Dedicated staff, well developed systems and processes and reporting tools to ensure compliance with the Code of Conduct for Property Factors.

Feedback Systems: Proactively collect and act on customer feedback to continuously improve and avoid disputes escalating to formal complaints.

Transparent Reporting: Regular reporting and clear, itemised billing to increase trust.

Regular Staff Training: Ensure all staff are trained in the Code of Conduct and recent legal changes.

Internal Audits and Compliance: Implement checks on invoicing accuracy, complaint handling, and tendering to avoid tribunal challenges.

Clear Service Agreements: Use up-to-date, compliant written statements of service to reduce ambiguity and disputes.

4.0 Recruitment and Retention of Skilled Staff

- A growing shortage of experienced property managers and maintenance operatives. High staff turnover undermines service quality and continuity.
- The job can be high pressure, dealing with complaints and crises.
- There's often a skills gap between customer service expectations and technical property knowledge.
- Competing with higher salaries in private/commercial property sectors.

SOLUTIONS

Professional Development: Clear progression paths, qualifications (e.g. IRPM or Propertymark), and on-the-job training.

Retention Strategy: Competitive benefits, flexible working, and focus on workplace culture.

Tech Integration: Use technology to reduce admin burden and allow staff to focus on value-added customer service.

5.0 Digital Expectations from Owners

- Customers now expect instant access to accounts, service updates, and documents. Poor digital interfaces damage credibility and efficiency.
- Younger homeowners and digital-savvy owners want self-service and mobile communication.
- Lack of transparency or delayed communication leads to mistrust.

SOLUTIONS

Online Owner (Client) Portal: Account access, payment tracking, and maintenance scheduling.

Mobile App & Notifications: Push notifications for works, meeting notices, and emergency alerts.

AI Chatbots/Support: Streamline query response and reduce front-line admin pressure.

6.0 Customer Communication and Trust

- Perception that factors are expensive, unresponsive, or unaccountable is widespread in Glasgow.
- High turnover of residents in some blocks means ongoing education is required.
- Poor communication undermines trust and increases tribunal cases.

SOLUTIONS

Online Owner (Client) Portal: An online system for real-time billing, work orders, documents, and communication.

Dedicated staff for individual blocks: Properties are assigned known contacts for a designated area/ portfolio, reducing the "faceless factor" problem.

Regular Meetings/Surveys: Engage residents and allow them to feedback or request changes.

7.0 Contractor Quality and Supply Chain Pressures

- Finding reliable, cost-effective contractors for cleaning, maintenance, and emergency repairs is increasingly difficult.
- Brexit, wage and cost inflation have impacted the number of companies who are still trading and availability of particular trades.

SOLUTIONS

Approved Contractor Framework: Maintain a vetted pool of contractors, rated by performance and pricing.

Volume Discount Negotiation: Leverage your 2,700-property portfolio to negotiate better rates.

Use of Technology: Implement contractor scheduling, job-tracking, and feedback loops through digital platforms.

8.0 Consolidation and Market Competition

- Larger UK-wide factoring companies are entering or expanding in Scotland, offering economies of scale and digital-first solutions.
- Smaller factors struggle to compete on price and service.
- Owners may be tempted to switch where Deed of Conditions allow or pursue Right to Manage or self-factoring equivalents.

SOLUTIONS

Niche Strengths: Emphasise local knowledge, personalised service, and community involvement.

Partnerships: Consider the opportunities presented by the North West Partnership with Maryhill Housing Association.

Customer Loyalty Initiatives: Value-added services like emergency repair helplines, bulk insurance discounts, or home improvement advice.

9.0 Scalability and Operational Efficiency

- Growing from 2,700 properties means increasing demands on finance, communications, and contractor management.
- Without automation, growth leads to more complaints, errors, and financial leakage.

SOLUTIONS

Invest in upgraded Property Management Software: to handle invoicing, reporting, and service requests.

KPIs and Dashboards: Use real-time metrics (e.g., arrears levels, response times, complaint rate) to drive performance.

Shared Services Model: Centralise finance/ admin to reduce duplication and improve controls. Consider benefits of more integrated working models within the QCHA Group

10.0 Sustainability and Energy Efficiency Mandates

- Pressures to upgrade communal areas with LED lighting, insulation, renewable heating, etc.
- Resistance from owners due to cost and lack of clarity over ROI

SOLUTIONS

Offer Energy Efficiency Audits: Educate owners on long-term cost savings.

Facilitate Green Upgrades: Partner with green energy providers and use group buying power.

FURTHER OPPORTUNITIES

Mid-market rent (MMR) is a form of affordable housing and Queens Cross Factoring owns twelve one- and two-bedroom mid-market flats.

MMR tenants generally pay a lower rent than private renters, but more than those living in a local social housing home. It is becoming an increasingly popular form of housing in the city with grants available from Glasgow City Council to help eligible potential renters. It is a very attractive option in times of economic difficulty and limited social housing, particularly for young people who cannot afford private sector rents.

The demand for MMR from QCF currently exceeds supply by a huge margin. Currently we have over 350 applications for the 12 MMR properties which we own. This shows that there is significant scope for growth. Funding is currently the biggest constraint in acquiring or developing more MMR properties. However, increasing the number of MMR units QC Factoring owns could be a way for us to increase our funding stream over the long term and allow us to provide wider benefits to Queens Cross communities. Consideration of the challenges and opportunities has informed our objectives.

Opportunities

1. Growing Demand for MMR

There is a well-documented affordability gap in Glasgow where households earn too much to qualify for social rent but not enough for full private market rents.

Mid-market rent provides a viable solution for key workers and low-to-middle income earners.

2. Access to Development Funding

Subsidiaries of RSLs can access Scottish Government grants and loan support, such as through the Affordable Housing Supply Programme (AHSP), which may include support for MMR depending on the project and area.

Potential access to Charitable Bond finance or private institutional investors seeking ESG-aligned investments.

In 2024, the Scottish Government announced a £100 million investment to support the construction of approximately 2,800 MMR homes. This funding is intended to be combined with institutional investments, such as pension funds, to amplify the total investment to at least £500 million.

The Scottish National Investment Bank has actively invested in MMR projects and these projects often attract private investors seeking stable, long-term returns. By leveraging government funding with private capital, RSL subsidiaries can enhance the financial viability of MMR developments.

3. Experience and Infrastructure

The RSL's existing development and property management expertise can be leveraged by the subsidiary, reducing operational risk and cost duplication.

Established governance, procurement, and tenant engagement systems provide a head start.

4. Partnership Opportunities

Opportunities for joint ventures with developers, other housing associations, or local authorities.

The Glasgow City Council Strategic Housing Investment Plans (SHIPs) may provide collaborative development routes.

5. Planning Policy Alignment

Glasgow City Council supports mixed-tenure developments and seeks to increase housing supply in key regeneration zones e.g. Canal Corridor.

MMR aligns with placemaking and sustainable community goals.

There are however challenges which would need to be considered in developing a business case for the expansion of the current MMR offer by QCF.

Challenges

1. Viability and Funding Gaps

MMR schemes are sometimes difficult to stack financially without subsidy due to build costs and the rental income ceiling.

Limited access to traditional grant funding for MMR compared to social rent.

Construction cost inflation and high land values in some parts of Glasgow further strain viability.

2. Governance and Regulatory Constraints

The Scottish Housing Regulator (SHR) requires clear separation between RSLs and their non-charitable subsidiaries to avoid conflicts of interest or risk to the RSL's core activities.

Careful legal structuring, including arm's length governance, is essential.

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Challenges

3. Market Competition

Competing with private developers and institutional investors for off-the-shelf properties or land can be challenging due to cost constraints.

Build-to-Rent schemes by private developers may target a similar demographic and have more flexibility on rents.

4. Planning and Policy Hurdles

While supportive in principle, planning delays or conditions requiring affordable/social housing contribution can complicate MMR delivery.

Policies can be inconsistent across city wards.

5. Operational Risk

MMR tenants tend to have higher turnover than social rent tenants, leading to increased voids and management costs.

Rent arrears and collection risk may be higher compared to social rent due to the financial vulnerability of the MMR target group.

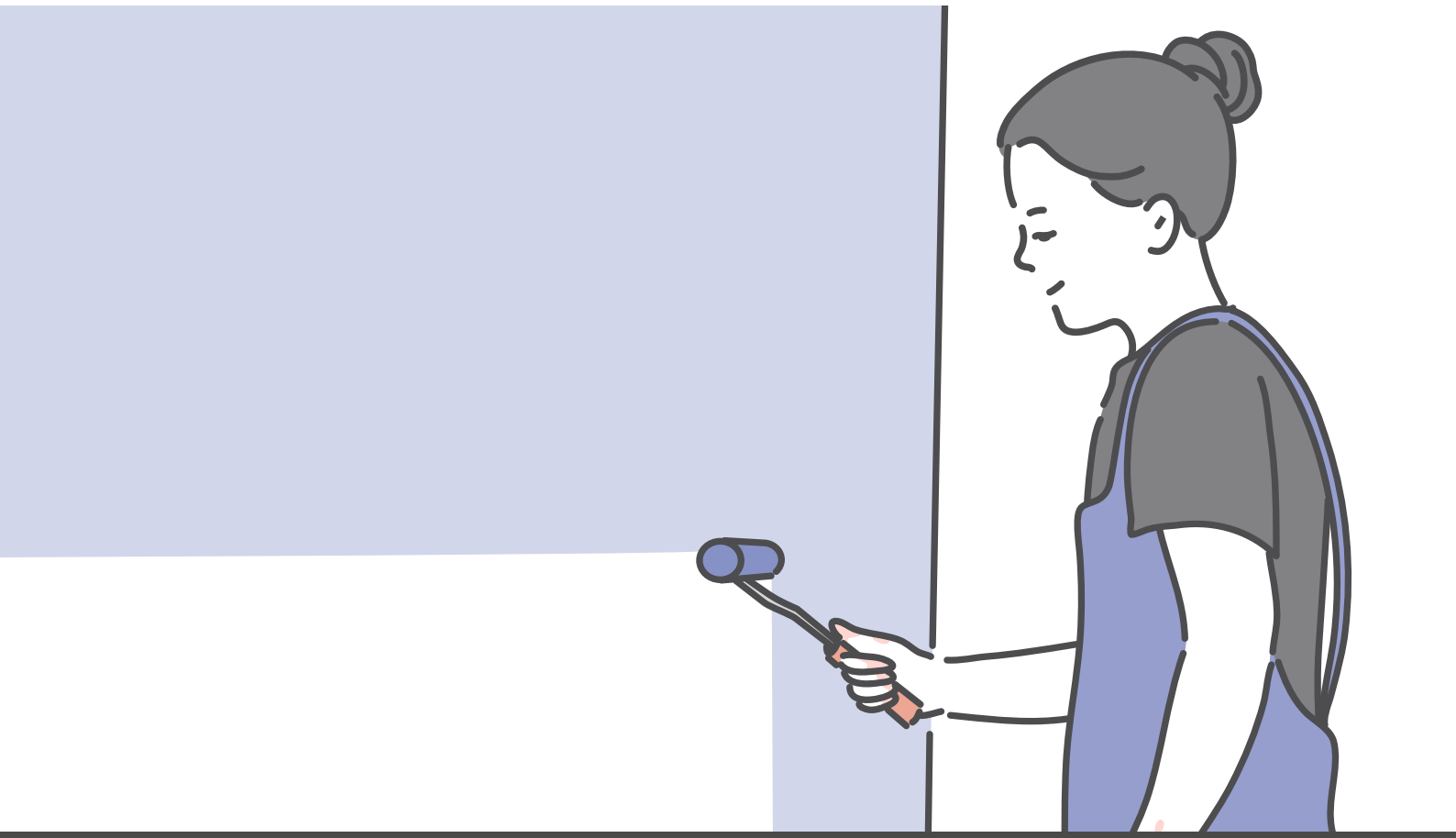
6. Brand and Identity Confusion

The MMR subsidiary must clearly differentiate itself from the RSL to avoid reputational risks or tenant confusion.

Balancing commercial viability with social mission can be challenging in practice.

WHAT WE WILL DELIVER BY 2030

Strategic Aim	Action	Outcome
Viable, responsible, well-respected business	Provide safe attractive neighbourhoods Developing the service to meet customer demands Market effectively to build our brand Prioritise value for money for customers Demonstrating environmental and social conscience	Business case explored for growth and new services improves service offer, while keeping costs affordable. Continued development of the website as key tool for online marketing. Introduction of a new client portal for improved customer service and contractor interface (Blockworks) for more efficient processing of invoices Introduction of the Property Portal for staff mobile working and to allow Power BI reporting. Five yearly conditions survey and reinstatement valuations for insurance purposes completed Monitoring and auditing of cyclical and compliance programmes of maintenance Policies and procedures reviewed and updated Introduction of contract management procedures including regular meetings and performance monitoring

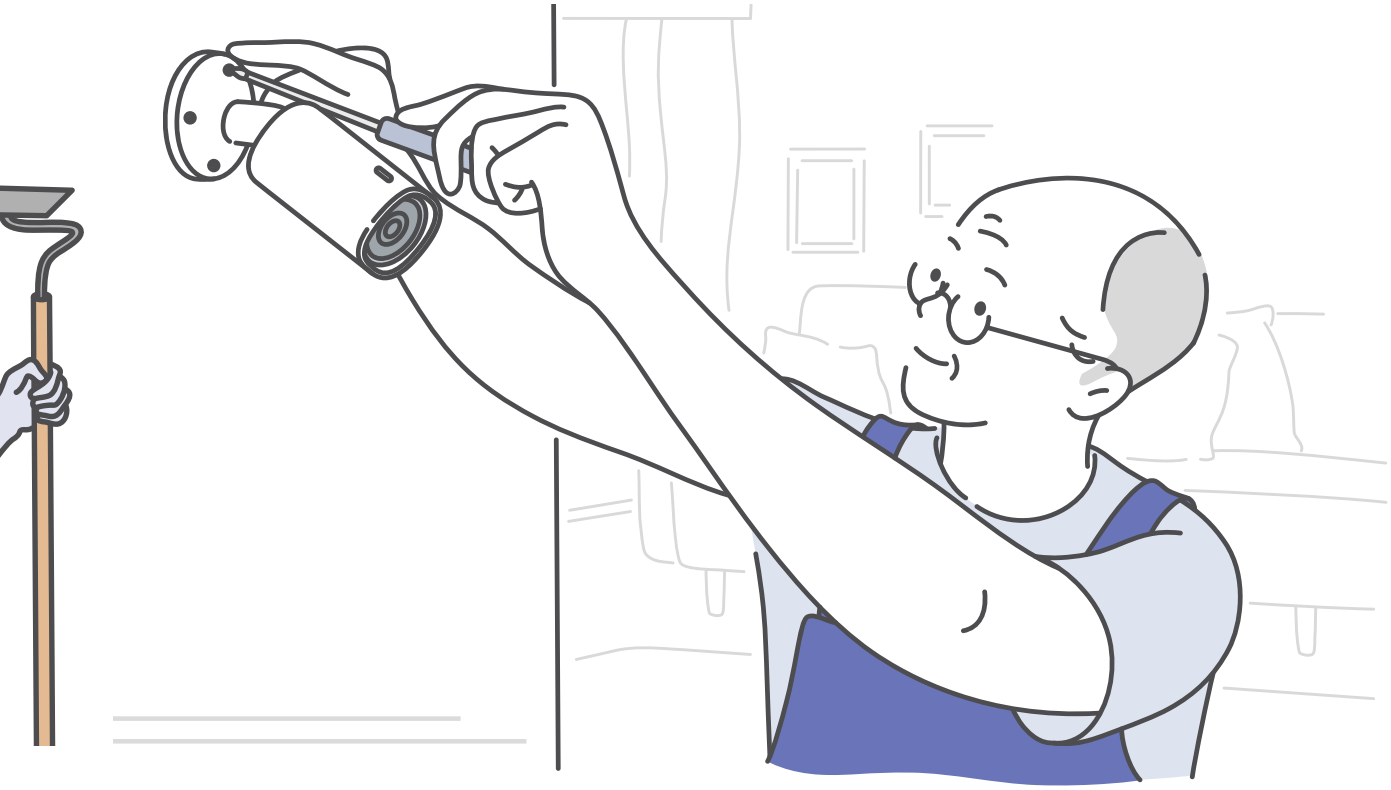


WHAT WE WILL DELIVER BY 2030

Strategic Aim	Action	Outcome
Provide safe, attractive neighbourhoods	Managing contracts more effectively, through improved policies and clearer agreements with contractors Engage owners better in maintaining and improving their environment - ensuring our neighbourhoods are maintained to their expectations	Maintain a programme of investment in common areas which produces environmental benefits e.g. recycling facilities, cycle storage. Major repairs contracts are written to protect the environment. Community benefits will be assessed as part of any procurement which affects the whole of the factoring portfolio. Owners are made aware of community activities and events that are available to them. Revised procurement and repairs policies ensure consistent performance, recognising the constraints on smaller contractors. Contractual agreements with existing/new contractors have detailed requirements resulting in better quality Review of environmental tender information ensures higher quality of works procured. Promotion of local environmental improvements projects helps owners get involved in improving their area.

WHAT WE WILL DELIVER BY 2030

Strategic Aim	Action	Outcome
Satisfied customers	Improving our knowledge of our customers Improving communications with customers, QCHA colleagues and contractors Influencing customer behaviours, encouraging and rewarding positive engagement with our services	More regular feedback mechanisms are developed to track customer views of our service standards such as responsive repairs. Customers are consulted on new or revised services. Regular meetings with staff from other QCHA departments make information flows more effective and joint working more common. A Shared Approach agreement between Queens Cross Factoring and QCHA A process of feedback of staff/customer comments to contractors builds better understanding of our requirements. Customers who assist us to do our job effectively are recognised. We try to personalise our service where possible and look for ways to offer choice and added benefits. Customers have a clear Statement of Service against which they can understand and judge our performance.



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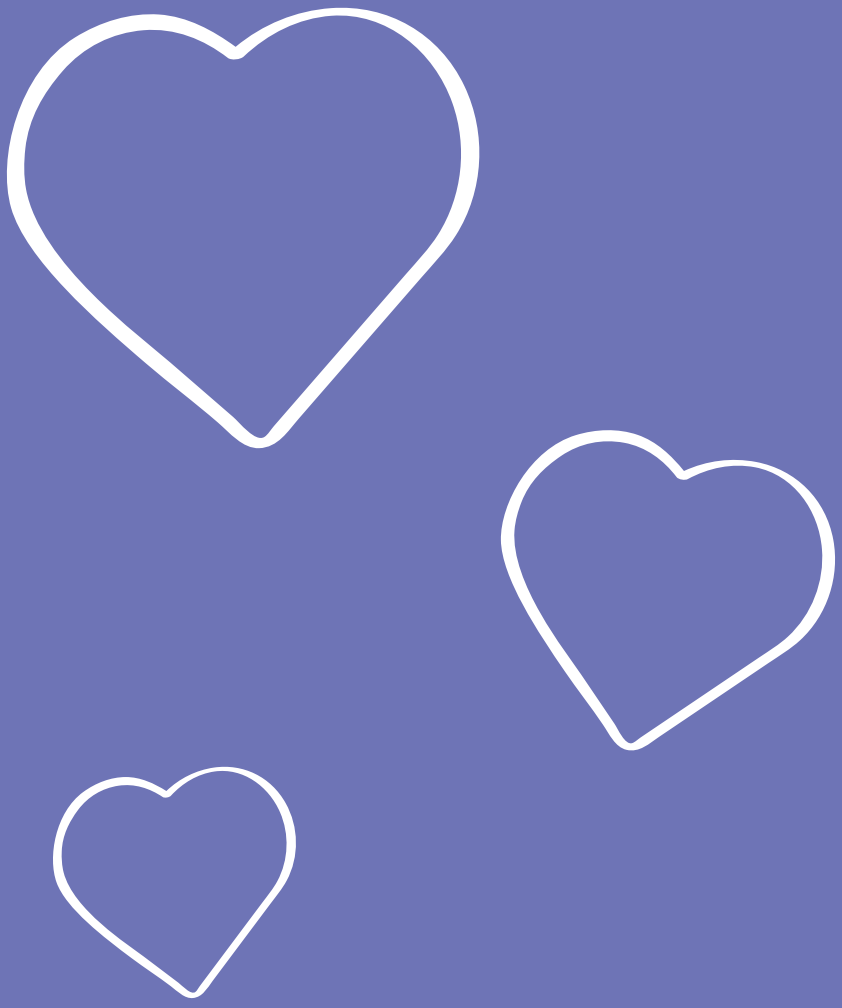

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