



Policy: Rent Setting

Housing Services

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RENT SETTING POLICY

1.0 Introduction

- 1.1 The provisions of Housing (Scotland) Act 1988, and subsequent legislation, make it incumbent on the Association to determine its own rent levels for Scottish Secure Tenancies.
- 1.2 The Association's Rent Setting Policy is a statement of objectives which the Association is seeking to achieve covering areas such as affordability, quality of service and the costs attributable to the actual rent policy.
- 1.3 The Association's aim is to define the Rent Structure as a mechanism which attempts to ensure our stated policy objectives are met. The structure covers issues such as differences and appointment of charges to different properties through a variety of possible systems or approaches.
- 1.4 The Association will use the Rent Setting Policy and rent structure to establish a rent which can be applied to individual dwellings.
- 1.5 The Association intends to set rents on their properties which fairly represents, for example, the size and amenity of such property whilst remaining affordable. In doing so the Association will not jeopardise the financial viability of the Association nor the high standards of management and maintenance services it wishes to attain.

2.0 Aims and Objectives

- 2.1 The Association aims to meet the following objectives in both the Rent Setting Policy and Rent Structure:
 - 2.2 Easily understood and to administer for Committee, staff, tenants, sharing owners and the general public
 - 2.3 Rent levels should be comparable to similar housing providers within the Greater Easterhouse area and our Peer group as per the Scottish Housing Regulator's definition
 - 2.4 Sufficient funding is available for the following cost headings and to ensure continuing viability
 - 2.5 Provides services to tenants which are of a high quality, represent value for money and are satisfactory
 - 2.6 Meets the requirements of all regulatory guidance and performance standards
 - 2.7 Takes account of the current definition of affordability
 - 2.8 Is considered fair and has a rent structure which is accountable and clear to all those affected by it
- 2.9 Tenants and key stakeholders, including any Registered Tenant Organisations, are consulted in the development, implementation and review of the policy and annual rent setting procedures

- 2.10 The policy complies with the current Scottish Social Housing Charter in relation to '*Value for Money*' (Outcome 13) and '*Rents and Service Charges*' (Outcomes 14 and 15)

3.0 Tenant Consultation

- 3.1 In line with the requirements of the Housing Scotland Act 2001, tenants will be consulted on any proposed rent increase. A report on this consultation will be presented to the Management Committee prior to them making a final decision on any proposed increase.
- 3.2 Consultation shall be carried out using most effective method. This is currently via newsletter and survey monkey. Consultation methods are regularly reviewed to ensure effectiveness e.g. Tenant Satisfaction Surveys.

4.0 Costs

- 4.1 The Association will establish future costs through the following methods:
- 4.2 Annual expenditure in previous years
 - 4.3 Annual budget preparation
 - 4.4 Long term viability projections
 - 4.5 Interest rate predictions
- 4.6 The Association will ensure efficiency through:-
- 4.7 Quarterly monitoring of spend against performance indicators
 - 4.8 Quarterly monitoring of budget through management accounts
 - 4.9 Regular competitive tendering of services
 - 4.10 Annual performance reviews of all services
 - 4.11 Quarterly benchmarking
 - 4.12 Value for money approach

5.0 Affordability

- 5.1 The Association is aware of the high dependency on housing benefit and universal credit and welfare benefits generally, throughout the Association's stock profile.
- 5.2 To ensure our rents remain affordable, the Association will each year take account of '*affordability*' as part of the Rent and Service Charge Policy. To measure affordability of our rents the Association will have regard to the current SFHA '*Affordability Tool*' data.
- 5.3 An annual report on affordability outcomes for our rents will be prepared for the Management Committee as part of the annual Rent Increase proposals.

6.0 Comparability

- 6.1 The Association will each year take account of the rents charged by other social landlords in Greater Easterhouse. The Association will also look at rents charged by our peer groups and the national average as per the Scottish Housing Regulators ARC data. This will be reviewed annually as our peer group may change.
- 6.2 An annual report providing a table of comparison of rent levels as per our peer groups will be prepared for the Management Committee as part of the annual Rent Increase proposals.
- 6.3 An annual report providing a table of comparison rent increases being applied by other Landlords locally and across the city will be prepared for the Management Committee as part of the annual Rent Increase proposals.

7.0 Rent Structure

- 7.1 The Association aims to establish a rent structure which clearly identifies the different types and sizes of properties and different amenities and specification offered to different properties.
- 7.2 The Association has established a 3 apartment, 3 person flat as the base rent with percentage increases or decreases dependant on additional bedrooms or house type.
- 7.3 The percentage increases form the base rent are as follows:

HOUSE TYPE	POSITION	% CHANGE
2 Apt Flat	- Upper	-14%
2 Apt Flat	-Ground	-13%
2 Apt Main Door Flat		-12%
2 Apt Cottage Flat	- Upper	-2%
2 Apt Cottage Flat	-Ground	-2%
3 Apt Flat	- Upper	BASE RENT
3 Apt Flat	-Ground	+1%
3 Apt Main Door Flat		+3%
3 Apt Cottage Flat	- Upper	+4%
3 Apt Cottage Flat	-Ground	+5%
3 Apt House		+15%
3 Apt Wheelchair Bungalow		+18%
4 Apt Flat	- Upper	+21%
4 Apt Flat	-Ground	+22%
4 Apt Main Door Flat		+23%
4 Apt House		+30%
5 Apt Main Door Flat		+32%
5 Apt House		+42%

8.0 New Build Properties

- 8.1 The Association will apply the current Scottish Government RSL social rent benchmark assumptions as a minimum on new build properties. The actual rents set may vary above the base rents at 7.3 above to ensure both financial viability and sustainability of new build properties.

9.0 Stock Transfer Properties

- 9.1 Stock transfer property rents were inherited from GHA. Therefore the actual rents may vary above the base rents at 7.3 above. Initial rent increase commitments were provided for 5 years following stock transfer in 2009. Since then annual rent increase % applied to stock transfer property rents.

10.0 Services

- 10.1 The Association currently provides the following services in connection to all properties:

- 10.2 Common Areas Maintenance
- 10.3 Wheelie Bin Management
- 10.4 Grass Cutting
- 10.5 Communal Close Cleaning
- 10.6 Communal Close Electricity Supply
- 10.7 Communal Close Lighting Maintenance

- 10.8 The Association will always consult tenants on any proposed changes or variation to the services provided by the Association.

11.0 Rent Review

- 11.1 The rent charge payable will be reviewed annually on the 28th March each year. The Association will provide one month's written notice in advance of any changes.
- 11.2 As part of the review, inflation will be taken at the September CPI inflation rate prior to the review date.
- 11.3 Draft budget proposals will be considered by the Management Committee in December and final budget approval in January.

12.0 Rent Charge Increase

- 12.1 Annually a proposal shall be made to the Management Committee of a maximum increase of CPI plus 1%.

13.0 Shared Ownership

- 13.1 The Association will review and set a specified rent annually for each shared ownership property based on the following:
- 13.2 The Annual Base Rent levels for apartment size and type will be in line with rented accommodation
- 13.3 Current Scottish Government Management & Maintenance associated costs of the property will be deducted
- 13.4 The resulting rent will portion into tranches of either:
25%, 50% or 75% ownership by the sharing owner
- 13.5 Added to this will be the following fees:
 - 13.6 Management Fee
Based on the cost centre report for staff administration
 - 13.7 Buildings Insurance
The Association has a block policy which provides buildings insurance to each sharing owner
 - 13.8 Services
The Association will provide relevant services in relation to the property type for each sharing owner

14.0 Customer Satisfaction

- 14.1 The Association endeavours to ensure that tenants and sharing owners are satisfied with the outcome of the services provided to them. This will be assessed in the following ways:
 - 14.2 Customer satisfaction survey carried out every 3 years to assess satisfaction and value for money
 - 14.3 Tenant consultation at each annual rent review
 - 14.4 Regular Newsletter articles regarding services provided and promoting and encouraging any dissatisfaction or complaints

15.0 Appeals

- 15.1 Tenants do not have the right of appeal regarding rent charge levels. However the Association will:
 - 15.2 Consult with tenants regarding annual rent charge review
 - 15.3 Provide clear and detailed information regarding reasons for any rent charge increases

16.0 Complaints

- 16.1 A tenant or sharing owner has the right to complain if they are unhappy. We value any complaints as this can help improve the service we provide. See the Complaints Policy and Procedure for details.

17.0 Equality and Diversity

- 17.1 Provanhall Housing Association is committed to promoting an environment of respect, understanding, encouraging diversity and eliminating discrimination by providing equality of opportunity for all. The Rent Setting Policy in its operation will adhere to all parts of the Equality & Diversity Policy.
- 17.2 The Association wishes to ensure there are no barriers in accessing its services. Relevant documents can therefore be translated into a range of languages on request. We will also ensure that translation services are available for those who wish more detailed information and to assist those who wish to make personal enquiries. For anyone with visual or audio impairment relevant documents can also, on request, be made available in larger print, on tape, in Braille or on any format required

18.0 Notifiable Events

- 18.1 Any issue which arises as a result of the execution of this policy which is a Notifiable Event shall be notified to the Scottish Housing Regulator via the required procedure.

19.0 Review of Policy

- 19.1 This policy will be reviewed three years from date of approval or sooner due to legislative, guidance or good practice requirements.