



Provanhall Housing Association Limited

POLICY

Rent Setting

AUTHOR

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DRAFTED	APPROVED	NEXT REVIEW
May 2024	June 2024	June 2027

On request, the Association can provide services for an interpreter, preferred method communication for those with hearing impairments and translation of all our documents, policies and procedures in various languages and other formats such as computer disc, tape, large print, Braille etc. These can be obtained by contacting the Association's offices

1. Introduction

Provanhall Housing Association (PHA) is a community based not-for-profit organisation located in the Provanhall area of Easterhouse. The Association is run by an elected and voluntary Management Committee. Policies of the Association are agreed and approved by the Management Committee with the implementation of these policies the responsibility of staff.

The purpose of this policy is to outline how we will set rents that are affordable and sustainability for tenants whilst ensuring that the Association maintains financial viability.

2. Policy Context

The main aims of the organisation is to provide affordable, high quality homes and deliver an excellent standard of services which are efficient and effective. It is crucial that the Association maintains financial viability therefore the Rent Setting Policy is a statement of objectives which will help us achieve these aims.

The Association will use the Rent Setting Policy and Rent Structure to establish a rents which can be applied to individual dwellings. The Association intends to set rents on properties which fairly represents the size and amenities whilst remaining affordable.

3. Policy Objectives

The objectives of the Rent Setting Policy and Rent Structure are:

- Viability – rents will be set to meet the costs to ensure long-term financial viability, provide high quality services, and meet the requirements of regulatory guidance standards.
- Affordability – rents will be affordable to all tenants no matters their income. The Association will utilise the SFHA's rent setting tool which incorporates affordability and includes the principle that tenants should not spend more than 30% of their disposable income on rent and service charges.
- Comparability – rent levels should be comparable to similar housing providers within the Greater Easterhouse area and our peer group as per the Scottish Housing Regulators definition.
- Ensure that court action and eviction is only used as a last result

4. Legislation and Best Practice

The Association's Rent Management Policy should be considered alongside relevant legislation, guidance, and best practice, particularly the current editions of:

- Housing (Scotland) Act 1998, 2001, 2010
- Human Rights Act 1998
- Equality Act 2010
- Data Protection Act 2018

In terms of the Scottish Social Housing Charter, the Scottish Housing Regulator has identified a number of key indicators relevant to Rent Management by which it will measure landlord performance, including the following:

Charter Outcomes

- Participation

Tenants and other customers are offered a range of opportunities that make it easy for them to participate in, and influence their landlord's decisions at a level they feel comfortable with.

- Value for money

Social landlords manage all aspects of their businesses so that: "tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay"

- Rents and Service Charges

Social landlords set rents and service charges in consultation with their tenants and other customers so that: "a balance is struck between the level of services provided, the cost of the services, and how far current and prospective tenants and service users can afford them."

Charter Indicators

- *Average annual management fee per factored property*
- *Percentage of tenants who feel that the rent for their property represents good value for money*

Charter Contextual Indicators

- *Rent increase*

5. Equal Opportunities

Provanhall Housing Association is an equal opportunities organisation. The Association's Equality and Diversity Policy seeks to ensure that all suppliers are treated equally. This policy will not unfairly discriminate against any suppliers, individual, or group of persons dealt with under the policy on the grounds of:

- Race, ethnicity, national or social origin.
- Disability including physical, learning or mental health.

- Gender or marital status.
- Sexuality or sexual orientation.
- Religion, religious beliefs or opinions such as political opinions.
- Age, appearance or financial status.

Provanhall Housing Association wishes to ensure there are no barriers in accessing its services. Relevant documents can be translated into a range of languages or formats on request. We will also make available translation services for those who wish more detailed information and to assist those who wish to make personal enquiries.

For anyone with visual or hearing problems, documents can also, on request, be made available in larger print, on tape, in Braille or on any other format required.

All suppliers will be required to accept the association's Equalities Policy or to have developed policies of their own which are acceptable to PHA.

Any complaints received in relation to breach of this policy will be addressed via the Association's Complaints Policy.

(Cross reference: Equality and Diversity Policy, Complaints Policy)

6. Complaints

The Association has a Complaints Policy and procedure which explains how tenants or suppliers who are dissatisfied with the operation of any service Provanhall Housing Association provides may make a formal complaint to the Association. This policy also includes an appeals process.

(Cross reference: Complaints Policy)

7. Delegated Authority

The overall control of the Housing Services function rests with the Management Committee. However, delegated authority for monitoring and evaluating rent management performance as well as approving any actions (including legal action) has been passed to the Housing Services Sub-Committee.

The decision to enforce any decree granted and proceed with eviction action will require advance approval by the Management Committee.

(Cross reference: Standing Orders)

8. Responsibilities

The Association's Director has overall responsibility for overseeing the Rent Management Policy. However, the Housing Services Manager is responsible for operational duties and tasks associated with ensuring the policy is successfully implemented and managed.

9. Partnership Working

We believe that partnership working is key to achieving the aims of this policy as well as the legislative, guidance, and good practice requirements. In this respect, we work with and refer our customers to the following service providers:

Glasgow Health & Social Care Partnership (GHSCP)

- North East Community Homeless Team
- Children & Families Services
- Addiction Services
- Mental Health Services
- Adult/Older Peoples Services
- Physical & Disability Services
- Cordia Home Care Services

Connect Community Trust

- Income Advice Service
- Employability
- Digital Inclusion

Department of Work & Pensions (DWP)

- Universal Credit & Benefits

Glasgow's Advice & Information Network (GAIN)

- Universal Credit & Benefits

Greater Easterhouse Money Advice Services (GEMAP)

- Financial Inclusion & Money Advice

Glasgow City Council Financial Benefits Centre

- Housing Benefits

Addaction

- Alcohol Advice & Tenancy Support

Greater Easterhouse Alcohol Awareness Project (GEAPP)

- Alcohol Advice

GENR8 (Action for Children)

- Youth Homelessness & Tenancy Sustainment

Trussell Trust

- Easterhouse Foodbank

Fuel Bank Foundation

- Fuel Vouchers

The Wise Group

- Employment Support Services & Mentoring

Citizens Advice Bureau

- Advice Service

Fair Start Scotland

- Employment Support Service

Turning Point Scotland

- Flexible Homeless Outreach Support Service (FHOSS)

Shelter Scotland

- Homeless Advice

10. Tenancy Sustainment

Shelter Scotland defines Tenancy Sustainment as: Preventing a tenancy from coming to a premature end by providing the necessary information, advice and support for tenants to be able to maintain their tenancies.

When a tenancy is brought to an end within 1 year of commencing this is classified as a failure to sustain. This can occur for positive or negative reasons however the Association will do all it can to make sure tenants remain in their home for as long as they wish. One of the aims of this policy is to sustain tenancies and prevent homelessness and we do this by:

- Establishing a good relationship with tenants from the start
- Identifying support needs at the earliest possible stage
- Arranging pre-tenancy income advice appointments
- Carrying out pre-tenancy viewings
- Providing advice and information regarding external provider services
- Making referrals to the Scottish Welfare Fund
- Applying for Discretionary Housing Payment (DHP)
- Ensuring communication with tenants is simple and clear
- Carrying out new tenant visits and existing tenant visits
- Ensuring Officers are accessible via visits, phone, email etc.
- Partnership working

11. Vulnerable Tenants

It is crucial to identify any support needs and vulnerabilities of existing tenants and prospective tenants. This will be done initially at the pre-tenancy stage and during the sign up process. Thereafter all staff members will be responsible for identifying issues during subsequent contact with tenants. Staff members will do all they can to help keep tenants in their homes by working closely with them and their support network.

12. Tenant Consultation

As per the requirements of the Housing (Scotland) Act 2001 tenants will be consulted regarding any proposed rent increase. A report on this consultation will be presented to the Management Committee prior to them making a final decision.

Consultation shall be carried out using the most effective methods including digital surveys via MS Forms and text, physical and digital versions of the rent consultation leaflet, open days, and the Association's newsletter.

13. Costs

The Association will establish future costs through the following methods:

- Business Plan
- Reviewing annual expenditure (previous years)
- Annual budget preparation
- 5 year financial projections
- 30 year plan
- Interest and inflation predictions
- Component and services comparison costs

The Association will ensure efficiency through:

- Quarterly monitoring of budgets and spending against performance indicators through management accounts
- Regular competitive tendering of services
- Annual performance reviews
- Benchmarking
- Value for money approach

14. Affordability

The Association is aware of the high dependency on Housing Benefit, Universal Credit, and Welfare Benefits throughout its stock profile. To ensure that rents remain affordable we will take account of the Scottish Federation of Housing Associations 'Affordability Tool' which measures both income and rent levels for every local authority in Scotland.

Based on the moderate income of different household types in each area, this tool assesses the % of income different households spend on rents in each area.

Using a traffic light report:

Green:	Less than 25% of income is spent on rent
Amber:	Between 25% and 30% of income is spent on rent
Red:	More than 30% of income is spent on rent
Based on Glasgow City measures, we are pleased to report 100% of our rents for all different household types and house sizes are assessed as: Green	

Our individual assessments are even more affordable; the % of income different households spend on our rents range from 10.40% to 22.70%.

Bedroom Size	Household Type	% of Income spent on rent
1 bedroom	Single Person	20.80%
1 bedroom	Couple 1 x PT, 1 x FT	13.90%
1 bedroom	Couple 2 x FT	10.40%
1 Bedroom	Single Pensioner	19.00%
1 Bedroom	Pensioner Couple	13.90%
2 Bedroom	Single Person	22.70%
2 Bedroom	Couple 1 x PT, 1 x FT	15.20%
2 Bedroom	Couple 2 x FT	11.40%
2 Bedroom	Single Pensioner	20.70%
2 Bedroom	Pensioner Couple	15.20%
2 Bedroom	Single Parent & 2 Children	14.20%
2 Bedroom	Small Family (2 children)	10.80%
3 Bedroom	Single Parent & 2 Children	17.20%
3 Bedroom	Small Family (2 children)	13.10%
4 Bedroom	Single Parent & 2 Children	19.40%
4 Bedroom	Small Family (2 children)	14.80%

An annual report on affordability outcomes for our rents will be prepared and presented to the Management Committee as part of the annual rent increase process.

15. Comparability

The Association will take account of the rents charges for other social landlords in the Greater Easterhouse area. We will also look at rents charged by our peer groups and the national average as per the Annual Return on the Charter data.

An annual report providing details of rent comparisons for other social landlords will be prepared and presented to the Management Committee as part of the annual rent increase process.

16. Rent Structure

The Association aims to establish a rent structure which clearly identifies the different types, sizes, amenities, and specification of properties.

The Association has established a 3 apartment, 3 person flat as the base rent with percentage increases or decreases dependant on additional bedrooms and house types.

17. New Build Properties

The Association will apply the current Scottish Government RSL social rent benchmark assumptions as a minimum on new build properties to ensure financial viability and sustainability of new build properties.

18. Services and Charges

Service charges are inclusive of rent charges and the Association currently provides the following services in in connection to all properties:

- Common area maintenance
- Wheelie bin management
- Grass cutting
- Communal close cleaning
- Communal close electricity supply
- Communal close lighting maintenance

If there are any proposed changes or variation to services the Association will consult with tenants.

19. Rent Review and Annual Increase

The rent charge will be reviewed annually in the second quarter of the year (July to September) and will take into account the overall projected CPI inflation rate, the inflation rate of component costs for the Association and the inflation rate of Service Costs. The CPI inflation rate may be much lower than the actual rate of inflation experienced by PHA in providing services to our tenants. For example; our insurance costs over the last **three** financial years have increased as follows:

Year	Insurance Renewal Premium	Annual CPI	Rent Increase
2021	£34,430	2.6%	0%
2022	£41,216 (19.72% increase)	9.1%	2.6%
2023	£75,540 (83.72% increase)	7.3%	5%
2024	£111,289 (47.32% increase)	2.2% (Projected)	5.5%

The Management Committee need to consider a realistic rent increase each year which takes account of:

- Maintaining low rents for our tenants (whilst balancing our commitments to our tenants in relation to safety, comfort and wellbeing in their homes).
- Our rent in relation to peer RSLs
- Our actual increase in costs (rather than CPI)
- Meeting our liquidity requirements and savings for an unexpected event
- Meeting our obligations to Net Zero (as yet to be defined)
- Our overall future viability

- Where rent is not increased to fully account for cost increases what services (non-essential, legal or contractual) will be reduced or removed.

A final budget will be approved in January each year which takes account of the annual rent increase.

The rent charge will increase from 28th March each year. The Association will provide one month's written notice in advance of charges being implemented.

20. Shared Ownership

The Association will review and set a specified annual rent for each shared ownership property and will take into consideration the annual base rent levels for apartment size and property type, and the Scottish Government Management & Maintenance costs.

The resulting rent will be proportioned into tranches of either: 25%, 50%, or 75%.

The following fees will then be added the rent charge:

- Management Fee
- Buildings Insurance
- Service Charges (Variable depending on services carried out)

21. Customer Satisfaction

The Association endeavours to ensure that tenants and sharing owners are satisfied with the level of services provided to them. This will be assessed in the following ways:

- Customer surveys carried out every 3 years to assess views regarding satisfaction and value for money
- Tenant consultation will take place with each annual rent review
- Tenant satisfaction surveys will be carried out during new and current tenant visits
- Review of complaints, compliments, and comments
- Newsletter articles

22. Monitoring and Reporting

It is important to ensure that the aims of the policy are being met therefore regular monitoring and reporting is required. In this respect, performance reports will be provided to the Housing Services Sub-Committee and Management Committee. This will inform the Committee regarding how the Association is performing and will assist in setting targets and identifying future changes to the policy as required.

Performance information will also be reported annually through the Annual Return on the Charter (ARC).

23. Benchmarking

The Association will benchmark its performance against other landlords and use this to set, monitor, and report on targets. This will be done via the Management Committee, Annual General Meeting, Scottish Housing Regulator Landlord Report, Annual Report, and any other publications.

24. Decision Review

A tenant dissatisfied with any decision taken regarding this policy has the right to request a review. They can submit a request to review to the Housing Services Manager in person, by phone, email, letter, or via the Association's website. Once received, they will receive a written response within 5 working days.

If the tenant does not accept the decision they have the right to submit a request for a final decision review to the Director of the Association in person, by phone, email, letter, or via the Association's website. Once received, they will receive a written response within 5 working days.

25. Audit Trail

An audit trail will be maintained for any actions taken relating to this policy.

26. Notifiable Events

Any issue that arises as a result of this policy which is deemed a Notifiable Event will be reported to the Scottish Housing Regulator.

27. Confidentiality

All information will be treated with the strictest confidence and in line with current legislative requirements and information sharing protocols. Any information provided to the Management Committee or Sub-Committee will protect the identity of the tenant.

28. Policy Review

The Policy and related procedures will be reviewed 3 years from the date of approval, or earlier should the need arise to reflect changing circumstances or changes in legislation or good practice standards. The next review will take place in May 2027.

29. Cross reference: Documents

- Equality and Diversity Policy
- Standing Orders
- Scottish Secure Tenancy Agreement
- Complaints Policy