



PORT OF LEITH  
HOUSING ASSOCIATION

# SCOTTISH SECURE TENANCY RENT SETTING POLICY 2016

## FULL REVIEW TRACKING

<b>Last Full Review Date</b>	March 2016
<b>Policy Owner</b>	Claire Ironside
<b>Document Author(s)</b>	Joyce Cuthbert
<b>Communication &amp; Training Methods</b>	Awareness raising for managers through discussion at OMT and subsequent discussion at team meetings as appropriate.
<b>Date Last Approved</b>	June 2016
<b>Approved By</b>	SMT
<b>Review Cycle</b>	3 years
<b>Next Review Date</b>	June 2019
<b>The Policy has a direct link to the following PoLHA policies and procedures</b>	Business planning process; budgetary control and financial planning; risk assessment process for new projects; shared ownership policy; rent collection and arrears management policy.
<b>This policy complies with the requirements of these legal and/or regulatory documents</b>	Scottish Social Housing Charter
<b>Equality &amp; Diversity Impact (EI) Assessment Status</b>	<p>This document was EDI Assessed by Joyce Cuthbert using the organisation's set procedure in March 2016 and is considered to be free of anything which may lead to any unfair discrimination in its application.</p> <p>EI Assessment records are held by the Chief Executive's Office and can be accessed on request to the Head of Corporate Services.</p>

## REVISION TRACKING

Revisions are minor changes which are made between Full Reviews which might be needed because of new ideas or changes

<b>Revision Date</b>	<b>Part of doc revised</b>	<b>Reason for revision</b>	<b>Approved by</b>

## **1. BACKGROUND/INTRODUCTION**

- 1.1 This policy sets out the way in which the Association sets the rent for our Scottish Secure Tenants under the terms of The Housing (Scotland) Act 2001. Secure tenancies with 'Fair Rents' are regulated by the Rent Officer and are outwith the scope of this policy, although the Association endeavours to keep Fair Rents in line with secure rents at each of their three year reviews. Occupancy charges for shared ownership properties are set with reference to this policy.
- 1.2 The Scottish Social Housing Charter, published by the Scottish Government in March 2012, sets out the standards and outcomes that all social landlords are expected to achieve. Charter outcomes include the following to help ensure that we meet the standards for 'getting good value from rents and services':
- 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
  - 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 other customers can afford them and that tenants get information on how rent and other money is spent including any details of individual items of expenditure above thresholds agreed between landlords and tenants.
- 1.3 The Association carried out a fundamental review in 2010 of how we set out rents to ensure that amenities were fairly reflected in the rent charged. This was carried out in consultation with tenants, taking tenants' views into account in its design. The list of criteria used in our rent setting approach, and the value assigned to each of these, can be found in the folder in the shared drive for the current year's rent and service charge increase.
- 1.4 The Association reviews the uplift it requires each year to meet budgetary planning requirements, in line with the Scottish Housing Regulator's guidance, and consulting with tenants on the proposed increase, as appropriate.

## **2. POLICY STATEMENT**

- 2.1 The rent policy and the rent setting mechanism are entirely based on property characteristics and our financial requirements.
- 2.2 We consider the following information as part of the annual rent review process.
- Our costs and investment plans
  - Rent levels of other social landlords including the local council
  - Tenants' views of rent uplift proposals
  - Tenants' satisfaction levels that our rents represent value for money
- 2.3 The Board of Management approves the annual rent increase no later than January each year.
- 2.4 The rent setting mechanism and criteria, as described in this policy, is the basis for submitting proposed fair rent levels to the Rent Officer for former secure tenants with

pre-January 1989 tenancies.

- 2.5 We may also provide services to tenants, in accordance with the terms of our Tenancy Agreement. Service charges cover the costs of providing services and goods which are additional to those included in the rent charge. These may include the provision of furniture, the cleaning and maintenance of communal areas, the maintenance of equipment, the administration of service charge accounts and the costs associated with the employment of staff for specific services. The services may be provided by ourselves or by a sub contractor. We charge the actual cost of the service provision plus our administrative costs. We supply, on request, full details of the cost of the services, so that tenants understand what they are paying for. Services are adjusted annually in line with changes in actual costs incurred.
- 2.6 We will seek to ensure that, wherever possible, our rent and service charge levels are affordable to our tenants, whether they are in receipt of benefits or in low paid employment. We will use satisfaction levels from our annual survey, as to whether our customers consider our rents to represent value for money, as an additional indicator of affordability, along with comparisons against rents charged by other RSLs.

### **3. RESPONSIBILITIES UNDER THE POLICY**

- 3.1 The Board of Management has responsibility for approving the annual rent increase.
- 3.2 The Senior Management Team has responsibility for ensuring that costs and investment plans are taken into account, as part of the annual rent review process and budget preparation, and that rents remain affordable and value for money.
- 3.3 The Housing Manager has responsibility for ensuring that tenants and sharing owners are given four weeks' written notice of the annual rent increase and for carrying out consultation with tenants of rent uplift proposals.

### **4. POLICY FRAMEWORK**

- 4.1 Our rent setting policy is based on the following principles:
- the rent setting mechanism is transparent, apportions rent fairly to individual properties and takes into account tenants' views and any changes to the amenities provided in the property
  - rents are set at a level which is sufficient to meet our costs, including projected future expenditure requirements
  - we consult with tenants on rent uplift proposals and consider their views in making the final decision on our annual rent review
  - rents are set at a level which offers value for money, when compared with rents charged for similar properties owned by registered social landlords in our area of operation
  - we give tenants at least four weeks written notice of any increase in rent. The annual rent review applies from 1 April each year (except for 'fair rents')
  - we make information about expenditure available at a level and in a format agreed in consultation with tenants and other customers, so that they can see how the rental income is spent.

**5. ASSOCIATED PROCEDURE(S)**

5.1 There are separate, detailed procedures for the annual rent increase process available on our intranet.

**6. POLICY & PROCEDURE EFFECTIVENESS ASSESSMENT CRITERIA**

6.1 We carry out surveys to measure, and report on, satisfaction levels with our rents as value for money.