



WILLIAMSBURGH

HOUSING ASSOCIATION

Rent and Service Charge Setting Policy

This policy can be made available in different languages and other formats such as Braille, large print or tape, on request.

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1. Introduction

As a locally-based provider of quality, affordable, rented housing, our aim is to provide a decent home for all who wish to live in our communities and to maintain and manage our properties to the highest standard possible. In doing so, the rent levels set and applied by the Association are of central importance in achieving this aim as well as ensuring the long term viability of the Association.

This policy details the aims principles and framework on which our rent and service setting is based and how we will consult with our residents on these charges.

2. Equality and Diversity

The Association is committed to the principles of equal opportunities and good practice. In this regard, we acknowledge the Scottish Social Housing Charter (2012): 1 - Equalities, which states:

“every tenant and other customer has their individual needs recognised, is treated fairly and with respect, and receives fair access to housing and housing services”.

In addition this policy complies with the Association's Equality and Diversity policy.

Accordingly, we shall ensure that specifically in regard to Rent and Service Charge Setting, all tenants, are treated equally, irrespective of their sex or marital status, race, disability, age, sexual orientation, language or social origin, or other social attributes, including beliefs or opinions such as religious beliefs or political opinions.

3. Legal and Good Practice Standards

Under the terms of the Housing (Scotland) Act 2001 the Association is responsible for setting rent levels for properties within our ownership and for consulting with the residents involved.

Social Housing Charter

The Association, in preparing this policy and the related procedures has given consideration to and sought compliance with The Scottish Social Housing Charter. The Scottish Government, through the Scottish Social Housing Charter, sets the outcomes it expects social landlords to achieve for its residents.

In terms of how rent and service charges are applied the relevant Social Housing Charter indicators include:

Outcome 13 – Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

Outcomes 14 and 15 – 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
- tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.

Good Practice

The SFHA Rent Setting Guidance and Affordability Tool June 2017 has been taken into account in the development of this policy.

Business Planning

This policy supports the strategic objectives of the Association's organisation's Internal Management Plan and Strategic Objectives.

4. Aims and Objectives

In formulating this policy we aim to ensure affordable and comparative rents reasonably balanced with the financial viability of the Association. In addition, the rent levels charged take account of provisions for the management and maintenance of properties, as well as voids, bad debts and sinking funds in respect of major repairs and loan charges.

The aims and objectives of the Rent and Service Charges policy are:

4.1 Affordability

We aim to ensure that our rents are affordable to those in receipt of low or moderate incomes and those in receipt of welfare benefits. To do so we have used the 'Affordability Tool' developed by the Scottish Federation of Housing Associations which allows us to test different rent scenarios during the rent setting process. The outputs produce shading in green if the rent is less than 25% of moderate income, amber at 25-30% and red at 30%+. We aim to have all of our rents displaying green shading. (See appendix 1).

4.2 Viability

Rents are our main source of income and are therefore vitally important to the long term viability of the Association. Sufficient income must be generated to meet all of the Association's financial requirements. Given this, the annual review of rent and service charges is carried out in conjunction with the Association's budget setting process. This will ensure that a detailed assessment of all relevant costs is made and that the resulting rents will be set at a level necessary to meet these as well as achieving an acceptable level of operating surplus.

It is prudent to hold a reasonable cash reserve whilst the surplus is reinvested into our properties in future years, through the planned maintenance and development programmes and also to keep borrowing and interest payments down, for the Association as a whole.

4.3 Transparency and Fairness

Rents

At each change in tenancy, the rent for the property will be recalculated in accordance with our Rent Calculation sheet (see Appendix 2), and applied.

Our Rent Calculation sheet has been compiled using a base rent figure, together with elements associated with the particular property, and is updated on an annual basis to include any rent increase approved by

the Association's Management Committee. The Rent Calculation sheet is also provided to the Association's Management Committee for ratification on an annual basis.

Service Charges

The Association recognises that services may be required. In all cases, we will aim to ensure that their costs are fair and accountable.

These services include:

- Close cleaning
- Communal garden maintenance
- Landlord services (e.g., electricity within close)

Where service charges are provided and applied by the Association, the charge will be set meet the actual cost of the service.

4.4 Comparability and Value For Money

Rents are broadly consistent with comparable rents charged by other social landlords in the area providing similar types and standards of property and services.

When considering any increases required to our rents, we will compare our rents (excluding services) with those of a number of other locally operating social landlords and the Scottish averages, as provided by the Scottish Housing Regulator (see Appendix 3). Where possible, we will also compare our rents (including services) to other locally operating social landlords. The information collated will be included within the report prepared for our Management Committee's consideration, prior to embarking on a consultation exercise.

Our consultation process will involve writing to all tenants affected by the rent and service charge increases. The letter will contain details of the proposed increase, and details of how to respond using email, our website or through a written questionnaire. In addition, a breakdown of current and revised services charges, together with details of the planned maintenance programme for the forthcoming financial year will be provided. A reply paid envelope will be provided in attempt to encourage responses.

When considering whether our rents represent value for money, we will take cognisance of the views expressed by our tenants in our Residents Satisfaction Survey and also the feedback received during the consultation process.

5. Principles

The principles underpinning the Rent and Service Charges Policy are:

- We will apply a fair and consistent rent structure.
- We aim to charge similar rents for similar properties, in similar locations, with similar services as far as possible.
- Rents will be comparable, in so far as is possible, with those of other landlords and property types, standards and services in the area.

6. Scope of Policy

This policy relates to rents set for Scottish Secure Tenancies under the Housing (Scotland) Act 2001.

For the small and reducing number of tenants who have the preserved right for rents to be set by an independent Rent Officer on a three yearly basis – known as a Fair Rent, this will continue to be the case.

Rents should be sufficient to cover the costs of managing and maintaining our properties.

Costs to be covered by rental income include:

- Housing management costs
- Voids and bad debts
- Maintenance costs
- Planned maintenance
- Loan charges
- Insurance and overheads
- Staffing costs and pension provisions

7. Monitoring and Review

The Management Committee will have regard to this policy, as per our review schedule. As such, the policy will be considered every three years to ensure that it responds to any changing circumstances.

On an annual basis, Appendices 1, 2 and 3 will be updated and inserted to the policy.

8. Complaints Procedure

In addition to the consultation process where tenants have the opportunity to feed back their comments, there is also the entitlement to submit a complaint if it is felt that we have failed to correctly apply the Policy. A copy of our complaints leaflet can be obtained from our office, by telephone 0141 887 8613, by emailing admin@williamsburghha.co.uk or from our website www.williamsburghha.co.uk.