



**COPPERWORKS**  
Housing Association

## **Rent Setting Policy**

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# Rent Setting Policy

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## **1.0 Introduction & Background**

1.1 Copperworks Housing Association (the “Association”) is a registered social landlord, which took ownership of its properties through stock transfers from Glasgow City Council in 1991. The Association took ownership of additional properties from Scottish homes in 1998. Overall, the aim was to improve the living conditions for residents in the Royston area in the north of Glasgow. It operates on a ‘not for profit’ basis and is run by an elected Management Committee consisting mainly of local residents who employ a staff team to manage the Association on a day to day basis.

1.2 This document details the aim, principles and framework on which our rent setting is based and how we will consult with our residents on these charges.

## **2.0 Aims**

2.1 The aim of this policy is to ensure affordable and comparable rents reasonably balanced with the financial viability of the organisation.

## **3.0 Objectives**

The objectives of the rent policy are:

- Affordability - Rents are affordable to households on low / moderate incomes
- Viability – sufficient income is generated to meet all of the association’s financial requirements and any associated borrowings
- Transparency and Fairness – there is a fair system of setting and apportioning rents for different types of property for tenants
- 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.

## **4.0 Principles**

4.1 We will apply a fair and consistent rent structure;

4.2 We aim to charge similar rents for similar properties, in similar locations, with similar services as far as possible;

4.3 Rents will be comparable in so far as is possible with those of other landlords and property types / standards/services in the area;

4.4 We will maintain, in so far as possible, our ‘converged’ rent charging structure.

In 2012, the Association examined rent charges in some detail and it became apparent that many rent charges between similar properties were quite disparate. Copperworks took the decision at this time to commence a process of converging the rent charges. This was a process that took around 5 years in total. The end result has been a very straightforward and simple system where all 3 apartment tenements attract the same rent charge as do all 3 apartment houses and all 4 apartment houses etc.

#### 4.5 Methodology

- The Association sets rents according to the property characteristics and amenities, which provides a simple way of ensuring fairness of the system.
- Proposed increases are spread proportionately across all property types / sizes, whilst still ensuring individual rents are comparable to neighbouring organisations and our peer group.
- All tenants are fully consulted on the proposed rent increase and splits across our stock.

#### 4.6 New Build Properties

- The Association has aspirations to provide new high quality housing in its area of operation, which will further help to sustain the Copperworks area and contribute to the social, physical and environmental regeneration of the community.
- The overall financial viability of any new development will be considered in detail and will include analysis of relevant strategic and financial matters. This will include rent levels to be set.

### 5.0 Scope

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

Rents should be sufficient to cover the costs of managing and maintaining all types of property under its control.

In addition to this, provisions are made for future major repairs and renovations and private loans on developments.

Costs to be covered by rental income can include:

- Housing management costs
- Voids and bad debts

- Maintenance costs
- Major repairs and renewals
- Loan charges
- Insurance and overheads
- Staffing costs and pension provisions

## **6.0 Legal and Good Practice Standards**

### **Legislation**

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

### **Social Housing Charter**

The Scottish Government, through the 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

Outcome 14 – 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, and how far current and prospective tenants and other customers can afford them

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

### **Good Practice**

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

### **Business Planning**

This policy supports the strategic requirements of the organisation's Business and Development Plans, Standing Orders and the organisation's strategies.

## **7.0 Affordability**

Rents should be affordable to tenants on low / moderate incomes.

Copperworks Housing Association uses the SFHA measure of affordability to check if rents are affordable to tenants and prospective tenants.

Copperworks Housing Association will ensure that rents and the annual rent increase on average, does not unreasonably exceed levels set by other housing associations working in the same area, where the current rent, the type and specification of the property, the location and the service is comparable.

Copperworks Housing Association will also have regard for feedback from applicants from surveys on their reasons for the refusal of offers of tenancies, for comments made by new tenants at the new tenant home visit and the reasons for leaving cited by former tenants in exit survey.

Additionally, we will take account of the findings from our continuous monitoring work with our tenants in relation to value for money in respect of their rent payments. This area of our work focuses on customer satisfaction levels in a range of Association activities and is centred on the Scottish Social Housing Charter. Tenants surveyed will be asked if they feel the rent for their property represents good value for money (Charter Indicator No. 29).

We will actively encourage the maximisation of tenants' income through benefits take up and money / debt advice. We will do this through promotions and individual contacts with our tenants.

## **8.0 Consultation**

Consultation with the community and tenant participation has always been one of the key aspects of the way in which the Association operates. We therefore, welcome the statutory provisions of the Housing (Scotland) Act 2001, which require all social landlords to take tenants' views into account when formulating key service policies.

The Housing (Scotland) Act 2001 (Sections 25 & 54) - Requires landlords to give each tenant no less than four weeks notice, in writing, before increasing rents or other charges. Where a landlord proposes to increase rents generally, it must first consult those tenants who would be affected by the proposal and then have regard to the views expressed by those consulted.

Annually, around December / January, the Association will carry out a thorough consultation exercise with tenants in relation to proposed rent charges for the coming year. This process will include writing to tenants individually outlining options for consideration and inviting feedback. Tenants will be provided with information on planned expenditure items and feedback will be encouraged in person, in writing, by email, phone or text. The results of this exercise will be presented to the Management Committee for full consideration prior to making a final decision.

## **9.0 Monitoring and Review**

The Rent Policy will be monitored by the Director / Housing Manager

The Rent Policy will be reviewed on a 3 yearly basis, or as required by the Governing Body.

## **10.0 Equality and Diversity**

This policy has been reviewed and complies with Copperworks Housing Associations policies on equality and diversity.

## **11.0 Complaints**

Tenants can appeal the proposed rent increase by completing the feedback form on the back of the rent consultation survey or they can text or email their response to the office direct.