



# Rural Stirling

## Housing Association



Quality property  
management services

## GROUP RENT POLICY

<b>Rural Stirling Housing Association, Stirling Road, Doune, FK16 6AA</b> <b>Registered as a Scottish Charity No. SC037849</b> <b>Venachar Limited, Incorporated under the Companies Act (Company Number SC447415), Registered Office: Stirling Road, Doune, FK16 6AA</b>	
<b>Policy Name</b>	Group Rent Policy
<b>Policy Category</b>	Housing Services
<b>Date Policy Reviewed</b>	10 August 2023
<b>Review Period</b>	Annual
<b>Next Review Due</b>	August 2024
<b>Equality Impact Assessment</b>	Yes

## **1.0 Introduction**

1.1 Rural Stirling Housing Association has as its aim the provision of good quality affordable housing for rent and low-cost home ownership within its area of operation.

1.2 This policy sets out how rents will be determined on an annual basis.

## **2.0 Objectives**

2.1 The Objectives of the policy are:

- To ensure that rents are set on a comparable basis for all the Group's properties.
- To ensure that rents are affordable for those whom we house in our target client groups.
- To ensure that rents are in line with rents charged by other providers of similar properties.
- To ensure that rental income is sufficient to meet the costs of delivering the service.

## **3.0 Equality & Diversity Statement (Group Statement)**

3.1 We will ensure that this policy is applied fairly and consistently. In implementing this policy, we will not directly or indirectly discriminate against any person or group of people because of their race, religion or belief, gender, disability, age, sexual orientation, or any other grounds. Our commitment to equality and fairness will apply irrespective of factors such as age, disability, gender reassignment, marital or civil partnership status, pregnancy or maternity, race, religion or belief, sex, sexual orientation, or other personal attributes.

This policy and any other Rural Stirling Group (RSG) publication is available in other formats e.g., other languages, Braille, large print, audio.

## **4.0 SHR Regulatory Standards**

4.1 The SHR's regulatory framework sets out Regulatory Standards of Governance and Financial Management to be achieved by all Registered Social Landlords (RSLs). The Board accepts that it is responsible for ensuring that the Association complies with these standards. The standards of direct relevance to this policy are noted below:

*Standard 1: The Governing Body leads and directs the RSL to achieve good outcomes for its tenants and other service users.*

*Standard 2: The RSL is open and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders. And its primary focus is the sustainable achievement of these priorities.*

*Standard 3: The RSL manages its resources to ensure its financial well-being, while maintaining rents at a level that tenants can afford to pay.*

## **5.0 Relevant 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 2020 has been taken into account in development of this policy.

## **6.0 Affordability**

6.1 The Rent Policy aims to take account of the social and economic profile of applicants, producing rent levels which are affordable to those in low paid work, who are not wholly dependent on housing benefit.

6.2 Best practice approaches are used to assess affordability of rent, which include;

- comparisons with peer landlord rents
- feedback from tenants (tenant satisfaction surveys)
- sustainability of tenancies / offer refusals; and
- the SFHA's Affordability Tool.

## **7.0 Cost Considerations**

- 7.1 The Group will use its agreed annual budget and long-term financial projections as the basis for costs required to be met from rental income.
- 7.2 These will include:
- Management costs
  - Maintenance (reactive and cyclical)
  - Major repairs provision
  - Loan repayments
- 7.3 The group will also seek to recover the cost of provision of services (e.g. landscaping of common areas, close cleaning etc)
- 7.4 Rents will be reviewed annually as part of the budget setting and business planning process in light of updated information regarding costs, affordability and comparability – and will be subject to tenant consultation.

## **8.0 Rent Setting Mechanism**

- 8.1 To achieve comparable rents across all properties, the group uses a points formula with a base of 103 points for a two apartment, one double bedroom flat. Points are awarded for additional property characteristics. Details of the current formula are given in **Appendix 1**. The Group intends to review these rent differentials annually ahead of annual rent reviews.
- 8.2 The points formula is also currently applied to shared ownership properties and a rent calculation then made as per **Appendix 2**. Following Scottish Government Guidance on the setting of Shared Ownership Occupancy Charges the Group intends to review this formula in advance of annual rent reviews.
- 8.3 Mid-market rents are set in line with the Local Housing Allowance for the Broad Rental Market Area (Forth Valley). Local Housing Allowances are based on the 30<sup>th</sup> percentile of rented accommodation.

## **9.0 Comparisons with Other Landlords**

- 9.1 The Group will closely monitor the equivalent rents set by other social landlords. Details of current rents set by other landlords in the area/similar areas are given in **Appendix 3**.

## **10.0 Related Documents**

- 10.1 This policy links to the Annual Business Plan and Group Strategic Plan.

## **11.0 Review**

- 11.1 We will review and update this policy annually.

## Rent Setting Points Formula

The base level of points is **103** (a one double bedroom flat with no parking or garden).

To make up the points level for any other type/size of property

Add

- 5 points if it is a house or bungalow
- 3 points if it is a maisonette
- 2 if it was built in 2008 or after
- 5 points if it has a private garden
- 5 points if it has a garage
- 10 points for each additional double bedroom
- 7 points for each single bedroom
- 2 for an additional WC
- 1 for an overbath shower
- 2 for a shower in new build property
- 5 for an ensuite
- 1 if it is house with a driveway /0.5 if it is a cottage flat with a driveway
- 0.5 – 2 points depending on level of communal landscaping
- 3-10 points if the property has a disabled adaptation which requires maintenance by the Association

Points are also deducted in certain circumstances

- Energy efficiency- deduct 1 point if SAP less than 70, and 2 if the property fails the EESSH
- Remote location – deduct 1 point if property is in Tyndrum, Killin, Lochearnhead, Strathyre, Kinlochard or Stronachlachar
- Flats without main door – deduct 1 point

### Communal landscaping: points calculation

Additional points are added to the rent to reflect the level of landscaping service provided as follows:

Common areas	0.5 point (very low) +1 point (low) +2 point (medium) +3 point (high)
--------------	--

Shared areas around flats	an additional 1 point
---------------------------	-----------------------

No household is charged more than a maximum of 3 points

Points are also deducted in certain circumstances.

- Energy efficiency- deduct 1 point if SAP less than 70, and 2 if the property fails EESSH.
- Remote location – deduct 1 point if property is in Tyndrum, Killin, Lochearnhead, Strathyre, Kinlochard or Stronachlachar
- Flats without main door – deduct 1 point

**Calculation of Occupancy Charges for Sharing Owners**

The Group calculates sharing owners' occupancy charges using the method of calculation given below. This has been based on the method for calculating net rental income for HAG (Housing Association Grant) calculation purposes. The occupancy charges are updated annually in line with the rent increase.

The calculation is as follows:

Scottish Secure Tenancy Rent Equivalent  
**Less** Maintenance Allowance  
And  
**Less** Management Allowance

= Basic occupancy charge

**Multiplied** by

Occupancy charge as per Tranche (i.e. 25%, 50% or 75%)

**Plus** Management Fee

= Occupancy charge payable.

### Appendix 3

Current rent comparison – local landlords and Peer Group

Monthly rents 2021/22

	RSHA	Forth HA	Ochil View	Stirling Council	Peer Group HA's average	Scottish Average 2021/22
Average Weekly Rent - 2 apartment (1 bdrm)	£77.81	£75.93	£79.49	£67.86	£80.12	£81.32
Average Weekly Rent - 3 apartment (2 bdrm)	£87.60	£84.06	£86.73	£70.24	£92.91	£84.18
Average Weekly Rent - 4 apartment (3 bdrm)	£94.57	£92.77	£94.32	£73.08	£100.53	£91.48
Average Weekly Rent – 5 apartment (4 bdrm)	£100.57	£98.60	£98.99	£74.98	£111.28	£100.74