

**SCOTTISH VETERANS HOUSING  
ASSOCIATION LIMITED**

**RENT SETTING POLICY  
SCOTTISH SECURE TENANTS**

**APRIL 2012**

## **1.0 INTRODUCTION**

1.1 This policy describes our arrangements for the setting of rents for our Scottish Secure Tenants.

1.2 Our rent setting policy has three main aims:

- To ensure that sufficient rental income is generated to cover the costs of management and maintenance, future repairs including the implications of the Scottish Housing Quality Standards and providing a quality service to our tenants;
- To comply with the guidance issued by Communities Scotland by ensuring that the rents resulting from the policy are affordable to those in low paid employment, ie those not reliant on Housing Benefit;
- To permit the forward projection of rents for a full range of house types to be used for HAG submission purposes with regard to proposed new developments.

1.3 This policy is supported by detailed procedures and guidance for staff in the setting of new rents annually.

1.4 This policy complies with Communities Scotland Performance Standard AS1.6.

## **2.0 RENT SETTING FORMULA**

2.1 We will set our rents by using a formula system. The formula will be made up of a base rent for each size of accommodation, which will then be increased or decreased according to factors reflecting the presence or absence of amenities (see Appendix A for the details of the factors which will result in the base rent being increased or decreased).

2.2 Where possible we will treat all of our Scottish Secure Tenants equally by applying the setting of rents according to the formula across all of our tenancy stock, exceptions could include Large Scale Voluntary Transfer (LSVT).

2.3 The levels of base rent will be reviewed annually by senior staff and recommendations for new base levels submitted to the Committee of Management each year.

## **3.0 RENT INCREASES**

3.1 In setting the level of increase we will take note of:

- The increase in the average earnings index over the previous 12 months;
- Information obtained from SCORE (Scottish Continuous Recording);
- The rate of inflation (RPI);
- The income needed to meet the SHQS (Scottish Housing Quality Standards);
- The predicted rental income required to support the future cost of our Planned Maintenance Programme;

- The cost of servicing the loan charges relating to the provision of current housing stock or subsequent improvements;
  - The need to show a modest annual surplus for general housing purposes.
- 3.2 Wherever possible, we will aim to maintain annual rent increases within the rate of current inflation plus 1%.
- 3.3 We will apply any rent increases approved with effect from 1 January each year.
- 3.4 Scottish Secure Tenants with tenancy dates during December will receive notification of the new rent within their tenancy pack.

#### **4.0 AFFORDABILITY**

- 4.1 We will aim to set our rents at a level that is affordable to those on low incomes who are unable to make their own housing choices, thereby seeking to achieve a mix of occupancy in our developments between those on low incomes and those dependent on state benefits.
- 4.2 We will assess annually information from SCORE to review how our affordability compares to the band of affordability defined by the Scottish Federation of Housing Associations.
- 4.3 We will obtain comparable data on rent levels charged by other local associations on a regular basis as part of our process for reviewing affordability.
- 4.4 All tenants terminating their tenancies and applicants refusing offers of let, will be asked whether the level of rent charged was a factor in their decision.

#### **5.0 CONSULTATION**

- 5.1 In line with the requirements of the Housing (Scotland) Act 2001, the Association will consult with tenants and registered tenant groups regarding any proposed increase in rent. Any responses received, as part of the consultation, will be incorporated, as appropriate, in any presentation to the Committee of Management regarding the review of rent charges.

#### **6.0 FREEDOM OF INFORMATION**

- 6.1 Under the Freedom of Information Act 2002 which came into force on 1 January 2005, members of the public can access information held by Housing Associations such as SVHA. Information, which a person is entitled to, is the information held at the time of the request is made. However, there are exceptions to this to ensure that 'personal data' is not disclosed in breach of the Data protection Act 1998. For further information please contact the Administration Manager on 0131 556 0091 or right to the registered office of SVHA.

#### **7.0 AVAILABILITY OF POLICY**

- 7.1 Additional copies of this Policy are available on request. A summary of the Policy can be made available in Braille, on tape and in a number of languages if required.

#### **8.0 MONITORING AND REVIEW**

- 8.1 The Chief Executive is responsible for ensuring that all staff concerned implements this Policy and procedures, which support it.

- 8.2 The Chief Executive will ensure that all staff concerned receives the necessary training in the application of the rent setting policy and procedures.
- 8.3 The Chief Executive will ensure that the Committee of Management reviews this Policy every 3 years.

## APPENDIX A TO RENT SETTING POLICY

### RENT POINTING SCHEDULE – SCOTTISH VETERANS HOUSING ASSOCIATION

| ACCOMMODATION  | POINTS     |
|--|------------|
| <b>Base Points</b>   | <b>200</b> |
| <b>Standards</b>   |            |
| Most property is new build or refurbished to a high standard. However there are Properties that were upgraded to a lower standard some years ago which are awarded Negative points as follows: |            |
| Rehabilitated to a lower standard  | -12        |
| Rehabilitated to a lower standard and due for refurbishment  | -20        |
| Rehabilitated to a lower standard and lower amenity  | -20        |
| <b>Bedrooms</b>  |            |
| 1 <sup>st</sup> Single Bedroom   | 34         |
| 2 <sup>nd</sup> Single Bedroom   | 41         |
| 1 <sup>st</sup> Double Bedroom   | 51         |
| 2 <sup>nd</sup> Double Bedroom   | 48         |
| 3 <sup>rd</sup> Double Bedroom   | 47         |
| <b>Rooms</b>   |            |
| Living Room/Dining Room  | 21         |
| Living Room  | 16         |
| Living Room/Bedroom  | 12         |
| Living Room/Kitchen  | 12         |
| Living Room/Kitchen/Bedroom  | 11         |
| Separate Dining Room   | 9          |
| <b>Kitchen Facilities</b>  |            |
| Separate Kitchen/Dining Room   | 18         |
| Separate Kitchen (External Light)  | 13         |
| Separate Kitchen (Internal light)  | 9          |
| Kitchen Annex  | 8          |
| Utility Room   | 3          |
| <b>Bathroom Facilities</b>   |            |
| Bathroom with Shower   | 13         |
| Bathroom/Wet Room  | 9          |
| Shower Room  | 7          |
| Separate WC  | 3          |
| <b>Amenities</b>   |            |
| Central Heating  | 19         |
| Partial Heating  | 8          |
| Garden   | 5          |
| Garden Shared  | 5          |
| Balcony  | 5          |
| Car Park   | 5          |
| <b>TOTAL</b>   | <b>200</b> |