

# WAVERLEY HOUSING

## RENT SETTING POLICY

Date Approved By Board: Jul 2001  
Reviewed By: AICC OCT 2009  
Next Review Date: OCT 2012  
Responsible Person: Head of Housing & Property Services

**AS 1.6 RENTS** We set rents which are affordable to households on low incomes, take account of the costs of managing and maintain our houses, and which enable us to service borrowings. We have a fair system of setting and apportioning rents between individual properties.

## **1. Policy**

- 1.1. The Company is committed to ensuring that rent levels are both equitable and prudent and may revise this policy from time to time. Nothing therefore contained in this policy precludes the right of Waverley Housing to restructure base rents for reasons of viability or affordability.
- 1.2. Restructuring of base rents shall not be carried out without consultation with tenants and the agreement of Scottish Housing Regulator. Where rents are restructured the method adopted shall ensure that base rents remain fair and equitable for comparable types and sizes of houses and remain within affordable levels subject to 3 below.
- 1.3. The current basis for setting rents for all properties was established following a rent restructuring exercise implemented in April 2002 following consultation with tenants and in consultation with and agreement from Communities Scotland (predecessor to the Scottish Housing Regulator).
- 1.4. Base rents shall be subject to an annual review and annual rent increases shall be no more than inflation plus 1%, subject to paragraph 1.5 below.
- 1.5. The inflation indicator used in the calculation for annual rent increases shall be the October Retail Price index (all items) figure, provided that the resultant rent increase shall be no less than 1%.
- 1.6. Adjustments to base rents, as a consequence of any rent restructuring exercise, would be in addition to any review conducted under Clause 1.4.

## **2. Comparability**

- 2.1. The Company will collect and evaluate data on rents charged by other social landlords from within the same area of operations and a table of comparisons will be presented to the Board during their consideration of the proposed annual increase.
- 2.2. The Company will also periodically compare rent levels through benchmarking against defined National Peer Group RSL's and other benchmarking activities.

### **3. Financial Viability**

- 3.1. The Company will ensure that the rental income is sufficient to meet its ongoing commitments including:
  - 3.1.1. debt funding repayments.
  - 3.1.2. management and maintenance expenditure (including overheads).
  - 3.1.3. provision for future major repairs.
  - 3.1.4. provision for void levels and bad debts.
- 3.2. The Company will also ensure that:
  - 3.2.1. its management and maintenance services are provided on an efficient and cost effective basis.
  - 3.2.2. expenditure is monitored.
  - 3.2.3. the amount of rental income lost through arrears and voids is minimised.

### **4. Affordability**

- 4.1. Establishing and maintaining rents that are affordable to households on low income is a key objective of the Rent Setting Policy. Waverley Housing will do so by working within the constraints of section 3 above and the limits of prevailing Housing Benefit levels.
- 4.2. The rents charged for both flats and houses are within current affordability levels, as defined by FPD Savills, for the area of operation.

### **5. Service Charges**

- 5.1. Where services are to be provided, for which there will be a service charge in addition to rent, such services and the charges for them will be subject to consultation with all the tenants concerned.
- 5.2. A services specification shall be prepared which shall clearly set out the services being provided with a breakdown of the charges being made for the services.

- 5.3. Waverley Housing shall ensure that any services provided will be introduced on a value-for-money basis.
- 5.4. Where appropriate, the services provided shall be subject to competitive tender and re-tendered on a regular basis (minimum of every three years).
- 5.5. Costs shall be allocated fairly and equitably on a proportional basis relative to the services being provided on a property unit by property unit basis.
- 5.6. Charges for services shall rise by no more than inflation plus 1% on an annual basis and shall be subject to review annually, at the same time as rent review, with the exception of where costs may rise by more than inflation plus 1%.
- 5.7. Tenants and other occupiers in receipt of services shall be consulted on each occasion prior to the re-tendering of any services.
- 5.8. Where services are provided these shall be identified separately from rents and each tenant in receipt of the service shall be notified at the time of taking up a tenancy by means of a schedule outlining the services being provided and the charges for those services.
- 5.9. Tenants and others who are in receipt of services shall be entitled to request details of the total cost of providing such services and how the charges are apportioned.

## **5 TRAINING**

- 6.1 Waverley Housing will ensure that the relevant employees have the appropriate level of skills and knowledge to deliver the requirements of this policy.

## **6 COMPLAINTS**

- 7.1 Tenants who feel that Waverley Housing has not delivered the service outlined in this policy have the right to complain. Complaints will be dealt with in accordance with Waverley Housing's Complaints and Appeals Policy, a copy of which can be obtained on request. Tenants also have the right to refer the matter to the Scottish Public Services Ombudsman upon exhaustion of the complaints and appeals process.

## **8 EQUAL OPPORTUNITIES**

- 8.1 Waverley Housing shall apply this policy in accordance with its Policy on Equal Opportunities. This means that in the application of this policy we will not discriminate on the grounds of a person's race, ethnic origin, nationality, religion or belief, cultural background, gender, sexual orientation, age or disability.
- 8.2 Copies of this policy are available on request free of charge from any Waverley Office. Copies of the policy will also be made available within a reasonable time, upon request, in a language other than English or in a format to suit the visually impaired, if required.

## **9 CONFIDENTIALITY**

- 9.1 Any information obtained as a result of the operation of this policy will only be used in connection with the purpose the information was given for. This means that we will only share the information or pass it to other individuals, agents or contractors as necessary to deliver the services outlined in the policy.
- 9.2 The only exceptions to this will be where our staff considers that a person's safety or well being is at risk or where we are obliged to give information by law or as part of a legal process. The decision to break confidentiality and share information without consent will be taken at senior management level and only after careful consideration.

## **10 POLICY REVIEW**

This Policy has been approved by the Board of Waverley Housing and will be subject to regular review by the Property Committee in accordance with Waverley Housing's policy review procedures.