

**RENT SETTING POLICY**

**GS4.7 Financial management** We have a robust financial management framework in place.

**Document Control**

<b>Title</b>	Rent Setting Policy				
<b>Responsible Person</b>	Director of Housing & Property Services				
<b>Date of Board Approval</b>	July 2001				
<b>Review by</b>	Audit and Internal Control Committee				
<b>Review Frequency</b>	3 yearly				
<b>Next Review</b>	October 2014				
<b>Consultation Required</b>	Yes	✓	No		No Changes made to Policy – therefore no consultation required
<b>Equalities Impact Assessment</b>	Yes	✓	No		
<b>Rights</b>	Public				

## **Associated Documents**

This document should be read in conjunction with:

Data Protection Act 1998

## **Translation Statement**

If you have any difficulties reading this information or need further help understanding our processes please call us (01450 364200) or visit our office (27 North Bridge Street, Hawick, TD9 9BD). We can make this document available in a variety of formats. All you need to do is let us know what you need and we will try to assist.

## **Compliance**

This policy has been drafted to ensure that it complies with Performance Guidance Standards (GS 4.7) and current legislation.

## **Equality & Diversity**

Waverley Housing is committed to providing services which embrace diversity and which promote equality of opportunity. As an employer we are also committed to equality and diversity within our workforce. Our goal is to ensure that these commitments, reinforced by our Values, are embedded in our day to day working practices.

## **Openness & Confidentiality**

Waverley Housing believes that its members, tenants, and other interested parties should have access to information on how it conducts itself. This means that unless information requested is considered commercially sensitive or personally confidential it will be made available on request.

## **Data Protection**

Waverley Housing recognises that the Data Protection Act 1998 is an important piece of legislation to protect the rights of individuals in respect to any personal information that we may keep about them, whether on computer or in manual systems.

We are registered with the Information Commissioner as a Data Controller under the Data Protection Act, and must ensure that our practices in the handling of personal information are of a high standard and comply fully with the Act.

## **1 Introduction and Purpose**

- 1.1 This Policy sets out how Waverley Housing sets rent and service charge levels.

## **2 Objectives and Principles**

- 2.1 To ensure that the rationale behind how Waverley calculates its rent and service charges is clear, unambiguous and easy to understand for our staff, customers and stakeholders.

## **3 Responsibilities**

- 3.1 Operational responsibility for ensuring that this Policy is implemented rests with the Director of Housing and Property Services.

## **4 Monitoring and Reviewing**

- 4.1 Waverley Management Team, the Audit and Internal Control Committee, and Board.

## **5 Policy**

- 5.1 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.
- 5.2 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.
- 5.3 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 Scottish Housing Regulator.
- 5.4 Base rents shall be subject to an annual review and annual rent increases shall be no more than inflation plus 1%.

- 5.5 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%.
- 5.6 Adjustments to base rents, as a consequence of any rent re-structuring exercise, would be in addition to any review conducted under Clause 6.1.

## **6 Comparability**

- 6.1 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.
- 6.2 The Company will also periodically compare rent levels through benchmarking against defined National Peer Group RSL's and other benchmarking activities.

## **7 Financial Viability**

- 7.1 The Company will ensure that the rental income is sufficient to meet its ongoing commitments including:
- 7.1.1 debt funding repayments.
  - 7.1.2 management and maintenance expenditure (including overheads).
  - 7.1.3 provision for future major repairs.
  - 7.1.4 provision for void levels and bad debts.
- 7.2 The Company will also ensure that:
- 7.2.1 its management and maintenance services are provided on an efficient and cost effective basis.
  - 7.2.2 expenditure is monitored.
  - 7.2.3 the amount of rental income lost through arrears and voids is minimised.

## **8 Affordability**

- 8.1 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 7 above and the limits of prevailing Housing Benefit levels.

- 8.2 The rents charged for both flats and houses are within current affordability levels, as defined by FPD Savills, for the area of operation.

## **9 Service Charges**

- 9.1 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.
- 9.2 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.
- 9.3 Waverley Housing shall ensure that any services provided will be introduced on a value-for-money basis.
- 9.4 Where appropriate, the services provided shall be subject to competitive tender and re-tendered on a regular basis (minimum of every three years).
- 9.5 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.
- 9.6 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%.
- 9.7 Tenants and other occupiers in receipt of services shall be consulted on each occasion prior to the re-tendering of any services.
- 9.8 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.
- 9.9 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.

## **10 TRAINING**

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

## **11 COMPLAINTS**

11.1 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 Complaint 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 process.

## **12 POLICY REVIEW**

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