



Gardeen Housing Association Ltd
Building a Better Future

GARDEEN HOUSING ASSOCIATION

RENT SETTING POLICY

Policy Implemented From:	2023/24
Next Review:	2026/27

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1 Introduction

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

2 Aims & Objectives

Aims

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

Objectives

The objectives of the rent setting 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.

3 Principles

1. We will apply a fair and consistent rent structure;
2. We aim to charge similar rents for similar properties, in similar locations; with similar services as far as possible; and
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 Scope

This policy relates to rents set for Scottish Secure Tenancies under the Housing (Scotland) Act 2001, and any Short Scottish Secure Tenancies.

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

5 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 tenants 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 2019 has been taken into account in development of this policy.

Business Planning

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

6 Affordability

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

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

Gardeen Housing Association's goal is that rents and the annual rent increase on average, will 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.

Gardeen 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.

7 Monitoring and Review

The Rent Setting Policy will be monitored by the Senior Housing Officer.

The Rent Setting Policy will be reviewed every three years, or as required by the Management Committee.

The Rent Setting Policy should also provide details of the notice period that the landlord is required to give tenants regarding rent increases. The Housing (Scotland) Act 2001 section 25 states that tenants must be given four weeks' notice of any rent or service charge increase.

However, before that notification the landlord must:

- (a) consult those of its tenants who would be affected by the proposal, and
- (b) have regard to the views expressed by those consulted.