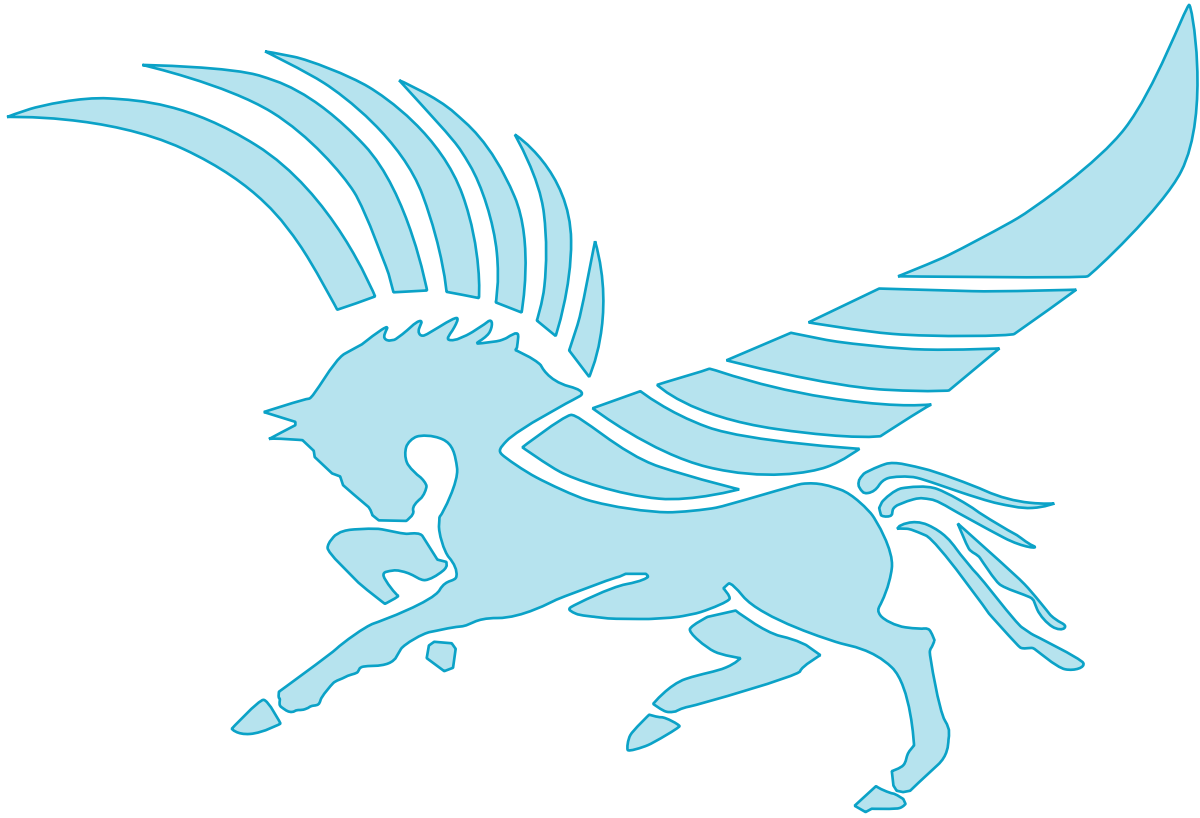


RENT POLICY



Date of Last Approval	22 February 2022
Date of Review	21 February 2023
Approved	21 February 2023
Date of next Review	27 February 2024

1. **INTRODUCTION**

Kingsridge Cleddans Housing Association is required by the Scottish Housing Regulator to formulate a rent setting policy, which will allow the Association to set affordable rents for all our housing stock.

In adopting this policy, the Association should ensure that the rental income will cover running costs and be comparable with other rents in the area.

2. **AIMS AND OBJECTIVES OF THE POLICY**

The Association's aim is to set rents based on a rental policy, which is both easy to administer and easily understood by staff and committee.

The Association is also committed to ensuring that rent levels do not exceed those of comparable RSL properties in the area.

The Association must also take account of approximately 52% of our tenants are reliant on either Housing Benefit (HB) or Universal Credit (UC) to pay their rent and accordingly we will seek to minimise the burden for the taxpayer, and we will seek to encourage employment through maintaining a truly affordable rent structure.

While taking the above factors into account, the Association must ensure that rent levels provide sufficient funding for:

- a) Management and Maintenance costs.
- b) Future repairs, including major repairs.
- c) Voids and bad debt provision.
- d) Inflationary indicators

3. **RENT LEVELS AND AFFORDABILITY**

The Association will try to ensure that rents are affordable for working households not reliant on housing benefit. Affordability is subjective and can be influenced by spending patterns, lifestyle choices and other household debts. There is no current measure of affordability, but it is important to recognise that rent levels have to be sufficient to cover the cost of maintaining our properties in good condition, meeting statutory obligations, and covering all operating costs.

The Association being mindful to keep rent levels at truly affordable levels will use the affordability tool developed by SFHA and Housemark which measures the effects of proposed rent increases against different household income ranges and property sizes. This tool is updated every year taking account of existing rent charges throughout Scotland and any income benefit changes applying to households.

Being mindful of the tough economic conditions the Association will also take into consideration the current and projected rates of inflation measures and will use the Consumer Price Index (CPI) as a basis for any increase. This should ensure that our rents not only remain affordable but also remain lower than the Drumchapel and our peer group Scottish average. From 1st April 2023 the Association will use the CPI rate of September instead of October

each year, in line with income benefit uprating by the DWP, as a base for any future rent increase consultation exercise.

4. MAINSTREAM RENT SETTING METHOD

Mainstream rent charges are based solely on size of accommodation. The Association has 279 mainstream rental properties, 11 shared ownership properties and 2 supported accommodation properties.

The Mainstream Property rent charges for 2023 - 24 were increased by 5% this was a below inflation rate of 11.1% as at October 2022 following the rent consultation exercise. Rent charges for the year starting on 1st April will be communicated to tenants in writing no later than 28 days prior to the commencement of the new charge.

The table below shows the new rent charges (excluding service charges) applicable from 1st April 2023 to 31st March 2024.

Rehab Properties	Monthly Rent	Weekly Rent
2/2 Flat	317.73	73.32
3/3 Flat	339.70	78.39
3/3 Main Door Flat	346.42	79.94
4/4 Flat	367.73	84.86
5/5 Flat	402.53	92.89
Non-Rehab Properties		
2/2 Flat	319.04	73.62
2/2 House	336.30	77.61
3/3 House	353.15	81.50
3/4 Flat	353.01	81.46
3/4 House	361.85	83.50
3/4 Amenity Flat	387.81	89.49
3/4 Bungalow	387.81	89.49
4/4 Flat	416.49	96.11
4/4 House	377.97	87.22
4/5 House	404.49	93.34
4/6 House	417.74	96.40
4/6 Supported Accom.	350.60	80.90
5/6 House	430.69	99.39
5/7 House	454.37	104.85
6/8 House	479.56	110.67
OVERALL AVERAGE RENT (without service charge)	362.13	83.57

Service charges for the mainstream properties relate to Garden Maintenance, Stair Cleaning and TV Aerial maintenance. The service charge element amount is set to cover the actual cost of the provision of the service. The service charge for garden maintenance will increase from £13.24 to £13.90 per calendar month from 1st April 2023. The other service charges will increase in line with the rent increase of 5% from 1st April 2023.

5. SHARED OWNERSHIP – OCCUPANCY CHARGE

The Association has 11 shared ownership properties. The sharing owners have an Exclusive Occupancy Agreement and as such the method of increasing any element of the charge is different to that of the mainstream rented properties.

There are 4 elements to the Occupancy Charge, being base rent, building insurance, gas service/maintenance and management fee.

The base rent element will be increased in line with the proposed mainstream rent charge annually and the service charges will increase in line with the actual costs of the provision of the service.

The sharing owners will be sent an Occupancy Charge Notification (OCN) detailing the new charges to be applied from the 1st April each year. The OCN will be sent no later than 28 days prior to the charge taking effect.

6. SUPPORTED ACCOMMODATION

The Association has 2 supported accommodation properties each housing 3 service users, giving a total of 6 service users. There are two distinct charges applicable to the service being the core rent element and the service elements.

As with (5) above, the core rent element will be increased in line with the mainstream rent increase annually from the 1st of April. The service elements will be increased in line with the actual cost of providing that service.

As with (4) above, the new charges will be notified in writing to the residents/the residents advocate/care provider no later than 28 days prior to the new charge being applied.

7. COMPARABILITY

The Association's rent levels for each property type will be compared against other landlords operating within Drumchapel on an annual basis.

This will be done by extracting information on rent levels from a Drumchapel wide rent comparison spreadsheet.

The Table below refers to average weekly rents that may be charged ¹ by the other RSLs, including GHA, within the Drumchapel area for the year 2023/24 and are meant as a comparison guide only.

¹ Charges may differ where the RSL has not adopted the proposed increase.

RSL	2 Apartment	3 Apartment	4 Apartment	5+ Apartment	AVE Weekly Rent
K.C.H.A.	76.02	83.08	92.35	101.87	84.65
Cernach	71.34	85.59	104.12	102.44	93.18
Pineview	70.41	80.73	90.65	99.88	86.75
GHA	88.13	94.60	109.14	119.56	90.54
Drumchapel	88.23	88.73	104.33	114.08	94.29
GLASGOW AVERAGE	86.60	89.52	99.62	110.99	94.62

8. ANNUAL RENT REVIEW

A review of the rents and service charges will be carried out annually. Rent and/or service charge increase proposal consultation letters will be issued to all tenants in October each year to allow the opportunity for comments. The CPI rate at September each year will be the basis for the consultation exercise, this is in line with benefit and pension reviews by the UK Government.

A report will be prepared and presented to the Management Committee no later than 28th February each year providing information relating to the outcome of the consultation exercise and will consider any proposed rent and/or service charge increases. The proposal must be approved by the Management Committee no later than 28th February each year.

Any increase will be applied from 1st April. All tenants and residents will be advised of any alteration to the rent and/or service charges in writing at least 28 days in advance of the new charge taking effect on 1st April.

9. POLICY REVIEW

The Policy will be reviewed annually following the Management Committee's review and approval of the new rent and service charges to be applied from the 1st April.