



Trust Housing Association

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Rent Setting Policy

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1. Introduction

- 1.1 Trust is a national housing, support and care provider, offering a range of accommodation and support services. Primarily serving older people in our communities we also provide housing for families and individuals. We provide homes to over 2,500 tenants across the length and breadth of Scotland, from the Highlands and Islands all the way down to the Borders.
- 1.2 Trust was established in 1973 as a non-profit organisation and is regulated by the Scottish Housing Regulator under the Housing (Scotland) Act 2001 and is also a registered Scottish charity.

2. Aims & Objectives

- 2.1 The aims and objectives of our rent and service charge policy are to create a structure and setting process that is:
- transparent and easily understood,
 - that is affordable and offers good value for money to our tenants,
 - is simple and cost effective to administer,
 - and that assists Trust to raise enough income to meet our operational and strategic aims.
- 2.2 A consolidated simple rent and service charge using a points-based system is considered to meet these aims and objectives.

3. Scope

- 3.1 Following a rent and service charge review in 2015 it was found to be appropriate that all accommodation of the same size, whether general needs, or age restricted, and whether flat or cottage, should be charged the same level of base rent. This approach was endorsed by tenants, after formal consultation.
- 3.2 The bulk of the rented accommodation available is all a similar standard and, apart from house size, is considered to be of equal value to tenants irrespective of the social and geographical environment in which it is situated.
- 3.3 It was determined that a points-based rent and service charge system is the most efficient mechanism to manage our setting process, offering transparency in how charges are set.
- 3.4 Flexibility may be required to deviate from the standard charges from time to time e.g. to deal with difficult to let situations or because of unique local circumstances. Any such variations will be agreed by the Board and will be monitored and reviewed in order that any adjustment could be made, again a points-based system facilitates this approach.
- 3.5 In addition to the base rent, elements of service differ in different locations and these need to be reflected in the rent charge. Using a points-based setting

process facilitates the inclusion of charges related to all the attributes of an individual property that require to be reflected in the rent charged. E.g. the costs associated with provision and maintenance of lifts where these are present in a development.

4. Rents

4.1 Rent structure

4.1.1 The rent charges include our base rent plus certain elements of traditional service charges. As part of the rent and service charge review the decision was taken to include some Housing Benefit eligible service charges in our rent. For this document these are known as rental service charges.

4.1.2 More details on what is included in each element is given below.

4.2 Base Rents

4.2.1 Our base rent structure establishes the differentials between different property sizes based largely on a value per person and per bedroom. This approach and existing differentials were reviewed and deemed relevant and therefore maintained in the points-based structure.

4.2.2 Items covered by our base rent charges include, management and administration overheads, property repairs and maintenance, major repairs and alterations to properties, insurance, loan costs and repayments and depreciation.

4.3 Rental Service Charges

4.3.1 The number of points assigned to an individual property reflect the services and facilities available at each property, this will only change if the services provided at the property change. So, for example if we removed a lift from a development, then we would remove the points for lift provision and maintenance, and the charge would reduce accordingly.

4.3.2 Items covered by our rental service charges include communal cleaning services, window cleaning, gardens maintenance, development staff costs and lighting and power in communal areas.

5. Service Charges

5.1 Trust also provide a small range of Landlord Services to tenants at different localities. Service Charges are intended to recover the costs of provision of those Landlord Services.

5.2 Trust charges the following service charges, where these services are provided:

- Communal Area Energy Charge
 - Heating Charge (Heat with Rent)
 - Food Charge
- 5.3 In addition, Trust has a mechanism in place for phasing in previous changes to Service Charges – the Landlord Services Reduction. This will continue to be used for a diminishing number of tenants until it is completely phased out.
- 5.4 Trust operates a pooling approach to service charges where costs for a service element are aggregated for all who receive that service element.
- 5.5 Previous consultation with tenants on Service Charges confirmed a consensus view that Trust's service charge approach should be simple and that the principal of pooling should be maintained.
- 5.6 Heating Charges are a separate specific flat rate service charge aimed at recovering the cost of energy purchased from energy suppliers. This is a pooled charge and the concept of pooling and the flat rate basis of charge were consulted on with tenants. Again, the consensus view supported this approach.
- 5.7 The Communal Area Energy Charge and Heating Charges are separately ring fenced. This means that for each accounting year any over recovery of income against expenditure or vice versa is carried forward and subsequent years' charges are adjusted accordingly.
- 5.8 Inevitably, variances arise each year end and these are carried forward in the Service Charge Equalisation Account and Heating Charge Equalisation Account.

6. Rent & Service Charge Review

- 6.1 Rent and service charges are reviewed annually in order to ensure that costs will continue to be met. If necessary rents will be increased on the basis of the budget process, having due regard to other relevant factors, including increases in the Consumer Price Index (CPI), average earnings, welfare benefit levels, and the need to maintain rents at affordable levels.
- 6.2 Any rent and service charge changes will take effect from 1 April each year except where there are conditions in the Tenancy or other Agreement which require a different review date.
- 6.3 The level of any rent increases will be agreed by the Board of Management. The proposed rent and service charges changes will be submitted to the Board for approval in December of each year.
- 6.4 Tenants will be consulted with through the tenant focus groups in October/November each year and through a formal consultation document/questionnaire which is sent to each tenant. Tenants are asked to

formally comment and express opinions on the proposed charges for the following year.

- 6.5 Tenants opinions are presented to the Board prior to any final decision on rent levels in December each year.
- 6.6 Once a decision is made by the Board tenants will be informed of any changes to rent and service charges no later than one month prior to the charges taking effect (1 April).

7. Affordability & Comparability

- 7.1 Trust aims to minimise the cost of housing to all tenants consistent with reasonable investment in our stock and maintaining acceptable quality standards.
- 7.2 Trust also compares the rents charged by other providers to ensure Trust's rents remain broadly comparable and if possible at the lower end of any range, but again consistent with maintaining and enhancing the quality of our homes. Recognition is also made to sector best practice and any regulatory guidance on affordability.
- 7.3 We undertake benchmarking exercises annually to compare our performance, including rents, with other peer organisations.

8. Data Protection

- 8.1 Trust will comply with both the Data Protection Act 2018 and the General Data Protection Regulations. Our full privacy policy can be found on the Trust Housing website – www.trustha.org.uk.

9. Anti-Bribery

- 9.1 Trust is committed to the highest standards of ethical conduct and integrity in all its activities and, to ensure compliance with the Bribery Act 2010, it has introduced an Anti-Bribery policy and procedures. These must be adhered to by all employees, Board Members and associated persons or organisations acting for or on behalf of Trust when undertaking any actions referred to in this policy.

10. Equality, Diversity & Inclusion

- 10.1 As leaders of EDI, Trust aims to promote equality and diversity and operate equal opportunities policies which inform all aspects of its business. It will ensure that it adheres to the Equality Act 2010 by being committed to equal and fair treatment for all and opposed to any form of unlawful discrimination.

10.2 As such, in considering this policy, no one will be treated differently or less favourably than others because of any of the protected characteristics as listed in the Equality Act 2010:

- disability;
- gender;
- gender reassignment;
- pregnancy and maternity;
- race, colour or nationality;
- sexual orientation; or
- religion or belief.

10.3 Or because of any other condition or characteristic which could place someone at a disadvantage were it to be taken into account, unless this can be objectively justified in terms of the legislation.

10.4 Trust will make reasonable adjustments for disabled people where necessary and possible to do so.

10.5 Upon request, the Trust will make information available in alternative formats, such as large print, tape and Braille to overcome communication barriers.

11. Policy Review

11.1 This Policy will be reviewed on a three-yearly basis. The purpose of the review is to assess the policy's effectiveness and adhering to current legislation and good practice, and identify any changes which may be required.

12. Document References

12.1 In all Trust's official documents, where references are made to specific job titles, roles, groups or committees, such references shall be deemed to include any changes or amendments to these job titles, roles, groups or committees resulting from any restructuring or organisational changes made within the Association (or, where this policy also applies to another member of the Trust group, made within that group member) between policy reviews.