

PARKHEAD HOUSING ASSOCIATION LTD.

RENT AND SERVICE CHARGE POLICY

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PARKHEAD HOUSING ASSOCIATION LTD.

Rent and Service Charge Policy

Aims and Objectives

The rent and service charge policy sets out how the Association aims to ensure that it has sufficient rental income to fund its business objectives.

This aim is balanced by the need for rents to be affordable and comparable to other social landlords.

Legal and Regulatory Framework

The Housing [Financial Provisions] Scotland Act 1972 governs the policy for the secure rent regime which at July 2017 applies to 35 tenancies at PHA.

The Housing (S) Act 2001 s53 defines that consultation is required with tenants on any significant housing management service changes and includes any potential rent increase.

Scottish Social Housing Charter outcomes applicable are :

- Outcome 13 tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay
- Outcome 14 a balance is struck between the level of services provided, the costs of the services, and how far current and prospective tenants 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

Link to equal opportunities and sustainability policies

This policy complies with both the Association's equal opportunities policy and sustainability policy.

We will contribute to the sustainability of the community by considering the issues of affordability and comparability when fixing rents.

Policy Statement

The Association operates two rent regimes as follows:

1. rents for Scottish Secured Tenancy Rents (formerly assured tenants)
2. rents set by the Rent Officer

The policy with regards to these is as follows

1. Scottish Secured Tenancy Rents (SST Rents) (formerly Assured Rents)

These will be reviewed annually as part of the budget setting process and changed from 1st April. In fixing any rent increase the following factors will be considered:-

- the Association's projected costs for the next year
- the Association's projected costs for major repairs over the next 30 years.
- the affordability of the rents for working tenants who are not on Housing Benefit / Universal Credit
- comparability of rent levels with other landlords
- comparability of rent levels within the Association's stock.

Tenants in accordance with our statutory duties will be consulted on any proposed rent increase.

2. Rents set by the Rent Officer

These are fixed by the Rent Officer and re-registered every three years. They are governed by the Housing [Financial Provisions] Scotland Act 1972. In applying for a secure rent the Association makes a comparison with rent levels for similar properties projected over a three year period. If the rent proposed by the Rent Officer is less than the agreed projected comparisons an appeal to the Rent Assessment Committee may be made.

There are no new rents under the 2 above and in time as tenancies change all will be under the SST rent regime.

3. Service Charge

The Association's policy with regards to services is that the cost of providing the service will be recouped by levying a service charge on the rents of those

tenants who receive the service. This will be reviewed annually based on projected costs for the following year and any loss in the previous year.

4. New Build Rents

Previously new build rents were determined by a base rent and then a scoring system to recognise features which the new build comprised of. However recent new build and new build for the foreseeable future will be to silver standard and consistent in its features so the calculation of the new build rent will be based on the most recent comparable new build plus inflation since it was built but mindful of the three person RSL social rent three person benchmark assumption. Further guidance in MHDGN (2019/03) has made it clear that funders will not accept anything above 10% from the benchmark and that anything above 5% will require a detailed justification.

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Responsibilities and Delegated Authority

It is the role of the Board to set any annual increase for rents and service charges.

The Board will delegate to

- the Director of Operations responsibility for ensuring compliance with the policy and procedure within the Operations team .

Outcome and Targets

The Director of Operations will report to the Board annually on the consultation process and the application of any rent increase.

Review

The Association will review its rent policy 3 yearly.

To be reviewed October 2021

