

NORTH VIEW Housing Association

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North View is a recognised Scottish charity – charity registration number SC032963

POLICY

RENT

Passed:-	24th April 2013	Review Date:-	March 2018
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All North View policies and publications can be made available on tape, in Braille, large print and community languages.

For further details please contact us on 0141 634 0555 or email us on enquiries@nvha.org.uk

“We set rents that take account of affordability, the costs of managing and maintaining our houses, comparability with other social landlords in our area, and that enable us to service existing loans and fulfil contractual obligations. We have a fair system for apportioning rents between individual properties.”

1.0 Responsibility

- 1.1 Under the authority designated to it in the Housing (Scotland) Act 2001, the Management Committee is responsible for setting the rent levels for all properties for rent by Assured Tenancy Agreement, or by Occupancy Agreement (in Shared Ownership units).

2.0 Aims

Rents will be set to take cognisance of affordability and service provision: the level of rent charged must be affordable to tenants; and, the Association must generate the required rental income to provide and maintain a high standard of service to tenants.

3.0 Affordability

- 3.1 The Association will periodically carry out income surveys of its tenants and use the data acquired to help determine ‘affordability’.

The Association will usually adopt the Scottish Federation of Housing Association’s definition of Net Residential Income. Another’s definition may be adopted with the prior approval of Committee.

- 3.2 The Association will participate in SCORE.

4.0 Economic Considerations

- 4.1 To ensure the financial well-being of the Association, rents will not be set – or increased – below the minimum economic level necessary for the Association to provide tenants with the desired level of service.
- 4.2 Rents will be set to take cognisance of historical expenditure, and predicted expenditure. Provision will be made for management costs, reactive maintenance, cyclical maintenance, loan servicing, etc..



INVESTOR IN PEOPLE

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5.0 Comparability

- 5.1 The Association will regularly compare its rents with those charged by other providers operating in Castlemilk.

6.0 Service Charges

- 6.1 Service Charges are excluded from the rent calculation.
- 6.2 Service charges will be levied to individual tenants at cost plus 10% (for North View administration costs) for all service except close cleaning, for which no administration charge shall be made.

7.0 Rent Review

- 7.1 The Management Committee will, at least once a year, review the rental levels for all properties owned or part-owned by the Association. The review shall normally be carried out in January. The RPI figure considered during the review shall be that at the end of December last.
- 7.2 Tenants will be given four weeks notification of any amendments to their rent level.

8.0 System to Determine Rent Levels

- 8.1 The Association has three different housing stock 'types'. The rent for each type is determined by criteria unique to that type.
- 8.2 The types of housing stock are:-
1. Core stock.
 2. Tenants Choice stock.
 3. Special Needs stock.
 4. Right to Buy 'buy backs'.
 5. Mortgage to Rent.

Core Stock

- 8.3 Core stock is flats or houses that have been improved or built by the Association as part of its development programme, and 'relevant' Tenants Choice properties (refer to item 8.10).
- 8.4 A 'Base Rent per Annum' for the Core Stock is set. A series of 'additions' and 'deductions' are applied to differentiate between different house types and sizes.
- 8.5 The 'Base Rent per Annum' is for a 2 Apartment 2 Person Upper Floor Improved Flat. Included in the Base Rent is an upper floor flat in an improved tenement which has a living room, a double bedroom, a fitted kitchen, a dining area, and a fitted bathroom. Amenities also included are central heating (heating source in all apartments, kitchen, hall and bathroom) and double glazing.



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8.6 The adjustment factors (the 'additions' and 'deductions') to determine rent levels for specific house types are;

For each additional double bedroom	21% addition to Base Rent figure.
For each additional single bedroom	17% addition to Base Rent figure.
For an en-suite off a bedroom	10% addition to Base Rent figure.
For provision of white goods	7% addition to Base Rent figure.
For new build unit	2.5% addition to Base Rent figure.
For main door entrance flats	7% addition to Base Rent figure.
For a single aspect flat	5% deduction to Base Rent figure.
For a four-in-a-block type house (or Cottage flat).	9.5% addition to Base Rent figure.
For a mid terrace house	14.5% addition to Base Rent figure.
For an end terrace/semi detached house	16.5% addition to base Rent figure.
For a detached house	20% addition to Base Rent figure.

8.7 The 'Base Rent' per Annum' was set at £1,300 in 1994/95, and is amended in line with changes determined through the annual review of rent levels.

Tenants Choice Stock

8.8 Tenants Choice Stock covers properties that transferred to the Association through Tenants Choice Transfer.

8.9 If a tenancy within this stock is succeeded to, the successor will be charged at the same level as the previous tenant.

8.10 If the property is vacated, the rent will be reviewed. A comparison will be made between the rent being charged prior to the property being vacated, and the rent that would have been charged had the property been 'Core Stock' (i.e. through applying the criteria outlined in item 8.6). The new rent will be set at higher value.

8.11 If the higher value is reached by applying 'Core Stock' criteria, the property 'type' will change from 'Tenants Choice Stock' to 'Core Stock'.

Special Needs Stock

8.12 'Special Needs Stock' is units designated for lease, or let to a provider catering for people with special housing needs.

8.13 The Management Committee – or delegated Sub-Committee – shall determine the level of rent to be charged on a project-by-project basis.

Right to Buy 'buy backs'

8.14 If the Association decides to purchase a property that was sold by Scottish Homes or North View, through 'right to buy', then we will set a rent that is comparable to that charged for similar sized and type of properties in the immediate vicinity of this property.

8.15 The Management Committee will set the rent charge.

Mortgage to Rent

8.16 The Management Committee will set the rent charge for properties acquired through



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Mortgage to Rent, but in doing so, they will take the following factors into consideration:-

1. The cost of loan repayments (if applicable).
2. The rent charged for similar sized and type of properties in the immediate vicinity (if applicable).
3. The rent generated by using the Core Rent formula (as described in items 8.4 to 8.7).

9.0 Rent Collection

9.1 The Association will debit rent accounts on the 28th day of each month.

9.2 Tenants will be able to use the following methods to pay their rent:-

1. By Allpay swipe card at the Post Office or any PayPoint outlet.
2. By telephone or internet services, using Allpay swipe card plus a bank debit card.
3. By Standing Order from their own bank or building society into the Association's account.
4. By arranging for their Housing Benefit rent entitlement to be forwarded directly to North View by the Glasgow City Council.
5. By prior arrangement (for arrears purposes primarily) by cash or cheque at the Association's office.

10.0 Consultation

10.1 North View will consult its tenants about proposals for changes to rent and service charges (this includes the annual rent review).

Tenant feedback will be considered as part of any review.

10.2 North View will consult its tenants should it consider substantially amending its Rent Policy.

End of Policy

Reviews and amendments

9/11/94	-	Policy passed
23/10/96	-	Policy amended
24/2/99	-	Policy amended
31/10/01	-	Policy amended <i>(to include date on which level of RPI will be considered)</i>
20/2/02	-	Policy amended <i>(items on 'Rent Collection' and 'Consultation' added)</i>
14/12/05	-	Policy amended <i>(item about 'Trickle Transfer' omitted, general update, and reference to 'Allpay' included).</i>
22/3/06	-	Policy amended <i>(adjustment factors for En-Suite and Detached house added).</i>
28/11/07	-	Policy amended <i>(changed item 1.1 to refer to Housing (Scotland) Act 2001 instead of Housing (Scotland) Act 1988)</i>
17/12/07	-	Policy reviewed <i>(reference to accessibility at beginning of policy added; item 3.0 amended; wording in item 5.1 amended from 'annually' to 'regularly'; reference within item 8.10 corrected; item 8.14 included; reference to paying by 'Transgcash' omitted from item 9.2)</i>
24/4/13	-	Policy amended:- Item 8.2 amended to include 'right to Buy buy backs', and



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'Mortgage to Rent'; reference to 'Scottish Homes 2005' omitted; items 8.14, 8.15 and 8.16 added; All pay swipe card and debit card payment method added to item 9.2.



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