

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

POLICY

RENT

Passed:-	25th November 2020	Review Date:-	October 2025
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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, the Management Committee is responsible for setting the rent levels for all properties for rent by Scottish Secure Tenancy Agreement, or by Occupancy Agreement for Shared Ownership units and supported accommodation.

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 (usually as part of our biennial Comprehensive Satisfaction Survey) and use the data acquired to help determine ‘affordability’.
- 3.2 The Association will also utilise the Scottish Federation of Housing Association’s Affordability Tool to look at affordability of its rent charges. Other assessment criteria may be used with the prior approval of Committee.

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..

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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, and similar areas within Glasgow.

6.0 Service Charges

- 6.1 Service Charges are excluded from the rent calculation.
- 6.2 Service charges where applied may be levied to individual tenants at cost plus 10% (for North View administration costs) for all services. Exceptions to this include charges of close cleaning where there is no service charge applied at present and internal decoration and laundry rental for supported properties, for which no administration charge shall be made. Furniture charges, where applicable, will be charged at cost plus 10% only where the furniture is charged to the Association on a monthly/yearly basis and not where furniture is renewed on an ad hoc basis.

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 annual review of the rents will consider our five year financial projections and thirty year cash flow to ensure that we can cover our planned expenditure. The annual rent increase will take account of the October CPI inflation rate. The October CPI rate ensures there is time for the Management Committee to consider the financial projections and the annual budget for the next financial year. The tenant consultation on the proposed rent increase will normally be carried out in January.
- 7.2 Tenants will be given at least four weeks notification of any amendments to their rent level.

8.0 Rent Structure

- 8.1 The Association's rent structure is determined by the application of the following criterion.

Base Rent

The 'Base Rent' for all mainstream properties is £333.50 per month, and the 'Base Rent' for all wheelchair compliant properties is £347 per month.

Adjustment

The adjustment factors to determine monthly rent levels for specific house types are;

For each bed space (that exceeds one bed space) £10 addition per bed space (£10 equates to 3.03% of the £300 monthly base rent).

For each apartment (that exceeds a two apartment) £20 addition per apartment (6.06%)

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For a flat	£5 addition (1.52%)
For a main door flat	£10 addition (3.03%)
For a 'four in a block' flat (or 'cottage flat')	£15 addition (4.54%)
For a mid terrace house	£20 addition (6.06%)
For an end terrace house/semi detached house	£25 addition (7.58%)

Definitions of the adjustments are contained in Annex A.

- 8.2 The Base Rent and adjustment factors have been set in 2020/21. Future reviews of rent levels will apply to both the Base Rent and the adjustment factors.
- 8.3 All our tenanted properties will be migrated to the new Rent Structure over the next five financial years (2021/22, 2022/23, 2023/24, 2024/25, and 2025/26). Over each of those years, the rent level for each tenanted property will increase or decrease by 20% of the difference between the property's 2020/21 rent charge and that calculated using the criterion in the Rent Structure (as set out in item 8.1).

Future rent reviews will be applied to the rent levels generated through this process; refer to examples in Annex B.

- 8.4 The Rent Structure (set out in item 8.1) will apply to any property that we re-let from 25th November 2020 only if the application of the structure results in an increase in rent.

Special Needs Stock

- 8.5 'Special Needs Stock' is units designated for lease, or let to a provider catering for people with special housing needs.
- 8.6 The Management Committee shall have flexibility to determine the level of rent to be charged on any housing developments that are handed over (to the Association) after 25th November 2020.

9.0 Rent Collection

- 9.1 The Association will debit rent accounts on the 1st 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. Tenants will be encouraged to arrange for the Housing Element of any UC payment to be paid directly to the Association by DWP.
 6. By prior arrangement (for arrears purposes primarily) by cash or cheque at the Association's office.

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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 *(to include date on which level of RPI will be considered)*
- 20/2/02 - Policy amended *(items on 'Rent Collection' and 'Consultation' added)*
- 14/12/05 - Policy amended *(item about 'Trickle Transfer' omitted, general update, and reference to 'Allpay' included).*
- 22/3/06 - Policy amended *(adjustment factors for En-Suite and Detached house added).*
- 28/11/07 - Policy amended *(changed item 1.1 to refer to Housing (Scotland) Act 2001 instead of Housing (Scotland) Act 1988)*
- 17/12/07 - Policy reviewed *(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 'Transcash' omitted from item 9.2)*
- 24/4/13 - Policy amended:- Item 8.2 amended to include 'right to Buy buy backs', and '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.
- 30/10/20 - Policy reviewed in light of Rent Assimilation exercise undertaken.
- 09/03/22 - Policy updated at Item 7.1 to confirm annual rent increase will be based on October CPI and 7.2 tenants given 'at least' four weeks' notice of an increase.
- 11/12/24 - Reference to delegated Sub-Committee removed from section 8.6 to reflect new governance arrangements from January 2025. Debit date set out in section 9.1 changed from 28th to first to reflect current arrangements.

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Annex A

The definitions below for each of our adjustments are set out below:-

<i>Adjustment</i>	<i>Definition and/or comment</i>
Apartment	<p>A room in a dwelling not used as a kitchen, bathroom/toilet, or store.</p> <p>Apartments are generally living rooms and bedrooms. One apartment in each of our dwellings will be designated as a living room, and as such, will be excluded from the apartments in which bed spaces will be counted.</p>
Bed space	<p>The number of bed spaces of a dwelling will be determined by the floor area of each bedroom in that dwelling.</p> <p>A bedroom of less than 10m² is deemed to have only one bed space, unless it has a built in wardrobe and a floor area of at least 9.5m², whereupon it will be deemed to be able to accommodate two bed spaces.</p> <p>A bedroom with a floor area of 10m² or more will also be deemed to be able to accommodate two bed spaces.</p>
Flat	A property that is accessed off a common close or stairwell.
Main door flat	The ground floor property of a tenement which has its own entrance door and is therefore not solely accessed from the close.
Four in a block/cottage flat	Flats that are all accessed by their own entrance door (and not part of a tenemental block).
Mid-terrace house	A house of any storey height that has its own front and rear entrance doors and shares a party wall with the dwellings on either side.
End terrace/semi detached house	A house of any storey height that has its own front and rear entrance doors and shares a party wall with a dwelling on one side.

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Annex B

Example 1

In 2020/2021, the monthly rent for one of our 3 apartment 4 person flats is **£407.47**.

Under this Rent Policy, the monthly rent for this property would be **£388.50** (made up of £333.50 base rent + £30 for the three additional bedspaces (at £10 per bedspace) + £20 for the additional apartment + £5 for being a flat).

The tenant is currently paying **£18.97** more per month than they would under this Rent Policy. As the rents are being simulated assimilated over five years, at 2020/2021 rent levels, the tenant's current monthly rent will reduce by **£3.79** for the next five years, however the monthly rent level we charge will be subject to review (usually annually). The illustration below demonstrates the effect that a notional 2.5% per annum for each of the next five years (of the assimilation) would have on the monthly rent. The illustration also includes a comparison of future rent levels that would be charged for this flat if we continued 'as we are' and did not implement this Rent Policy.

	2021/22	2022/23	2023/24	2024/25	2025/26
(Notional) Rent increase	2.5%	2.5%	2.5%	2.5%	2.5%
Monthly rent for a 3a 4p flat under our Rent Policy	£398.21	£408.17	£418.37	£428.83	£439.55
Monthly rent for this flat (assimilated over five years)	£413.77	£420.13	£426.54	£433.02	£439.55
Monthly rent for this flat (if this Rent Policy was not implemented)	£417.66	£428.10	£438.80	£449.77	£461.01

Example 2

In 2020/2021, the monthly rent for one of our 3 apartment 4 person main door flats is **£364.68**.

Under this Rent Policy, the monthly rent for this property would be **£393.50** (made up of £333.50 base rent + £30 for the three additional bedspaces (at £10 per bedspace) + £20 for the additional apartment + £10 for being a main door flat).

The tenant is currently paying **£28.82** less per month than they would under this Rent Policy. As the rents are being simulated over five years, at 2019/20 rent levels, the tenant's current monthly rent will increase by **£5.77** for the next five years, however the monthly rent level we charge will be subject to review (usually annually). The illustration below demonstrates the effect that a notional 2.5% per annum for each of the next five years (of the assimilation) would have on the monthly rent. The illustration also includes a comparison of future rent levels that would be charged for this flat if we continued 'as we are' and did not implement this Rent Policy.

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	2021/22	2022/23	2023/24	2024/25	2025/26
<i>(Notional) Rent increase</i>	2.5%	2.5%	2.5%	2.5%	2.5%
<i>Monthly rent for a 3a 4p main door flat under our Rent Policy</i>	£403.34	£413.42	£423.76	£434.35	£445.21
<i>Monthly rent for this flat (assimilated over five years)</i>	£379.71	£395.25	£441.34	£427.99	£445.21
<i>Monthly rent for this flat (if this Rent Policy was not implemented)</i>	£373.80	£383.14	£392.72	£402.54	£412.60

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