

ALBYN HOUSING SOCIETY LIMITED

TITLE: RENT POLICY

NO: HS 5

DATE: October 2000

Authorised by Committee of Management	31 October 2000
Review Date	November 2003 (currently under review)

RENT POLICY

1 Introduction

- 1.1 This policy document sets out the principles, which the Society adopts in relation to its rents.
- 1.2 In accordance with current performance standards the Society will set rents which are:-
- ♦ Affordable for those in low paid employment
 - ♦ Able to meet the Society's costs for managing and maintaining the stock
 - ♦ Comparable with the rents charged by other social landlords in the area

2 Aims and Objectives

- 2.1 The Society's will set rents (including service charges) which are affordable within the following definition:
- a) No working household is forced to pay more than 25% of net income (including full or partial Housing Benefit) on rent
 - b) No working household is left with less than 140% of the appropriate Income Support amount
- 2.2 The Society will seek to ensure that its rents are affordable to customers through the collection and analysis of income data from waiting list applicants as well as from our existing tenants.
- 2.3 The Society will collect data from its tenants and sharing owners every 3 years and will include questions on its housing applications forms concerning income to assess and monitor the affordability of its rents.
- 2.4 The Society will use this data to establish average rents in 6 regional areas:-
- ♦ Caithness
 - ♦ Sutherland East
 - ♦ Wester Ross and NW Sutherland
 - ♦ Ross and Cromarty (excluding Wester Ross)
 - ♦ Inverness and Nairn
 - ♦ Badenoch and Strathspey and rural Inverness-shire

In this way the Society can address regional variations in salary.

- 2.5 The Society will revise its rents as necessary to ensure that its rents are affordable for its customers and analyse any discrepancies that arise.
- 2.6 The Society will review and revise its rent policy where its average rents do not meet the criteria described in paragraph 1.1.

- 2.7 The Society will raise sufficient revenue from rent charges to meet the Society's short-term costs (as set by the agreed annual budget) and medium to long term commitments as set out in the 30-year plan.
- 2.8 The Society will monitor the results of its decisions, analyse any discrepancies and revise its objectives annually to ensure that rent charges continue to meet future major repairs, as recommended in Raising Standards in Housing, Financial and Planning Control part 4.1.
- 2.9 The Society will set rents which are comparable across the Society's stock for similar property, size and type, provided localised affordability is not significantly different from the relevant average affordable rent, and broadly comparable with relevant average rents of other social housing providers.
- 2.10 The Society will be adaptable by using a rent setting formula which can then be applied to tenures other than assured tenancies.
- 2.11 The Society will be accountable through regular reviews via:-
- a) The involvement of tenants' groups in the review process
 - b) The distribution of full copies of the Rent Policy to Scottish Homes, Local Authorities, Private Lenders and other interested agencies
 - c) The Rent Policy being made available in an understandable form to tenants and the general public
 - d) The distribution of rent setting calculation details to tenants, sharing owners, etc
 - e) The provision of an individual rent setting review where an assured tenant disputes the setting of their affordable rent
- 2.12 The Society will maximise the rental income of the Society given the constraints of affordability and demographic, accommodation type and tenure mix.
- 2.13 The Society will seek to ensure that where we enter into agreements with other providers in the management of stock then these rents are set in accordance with the aims and objectives of this policy.
- 2.14 The Society will ensure that its rents are comparable with other social landlord via active participation in SCORE and by taking cognisance of Scottish Homes data for rent levels in the Highlands and Islands.

The policy statement was adopted by the Society's Committee of Management on 31 October 2000. Scottish Homes Guidance requires that all of the Society's policies are reviewed at least once over a three-year period. The effective date for the review of this policy statement is October 2003.