



RENT POLICY	
Policy Number	HM 3.2 Version 2.0
Prepared by	Dan Thompson, Director of Housing Services
Date of Last Review	January 2023
Date of Next Review	January 2025
Reviewed and Approved by	Osprey Housing Board February 2023

GROUP RENT SETTING POLICY STATEMENT

Both Osprey Housing and Osprey Housing Moray (referred to as Osprey Housing) believe that effective and efficient rent setting is vital to the success of maintaining good quality services for all our tenants and provide value for money.

We embrace quality property management and this is encompassed in our Core Values:

✓ **AMBITION**

empowering through innovation and challenge

✓ **(E)QUALITY**

doing the best for individuals and communities in a fair and equal way

✓ **RESPECT & PROFESSIONALISM**

towards each other, the people we work with; the people we serve and our environment

✓ **ACHIEVEMENT**

delivering outcomes that matter and make a real difference – now and in the future

1. INTRODUCTION

Osprey Housing is a Registered Social Landlord (RSL) and are required by the Scottish Housing Regulator to adopt a rent policy that takes account of affordability, viability, and comparability. RSLs are also expected to design a rent setting mechanism which apportions rents fairly to individual properties.

The rent setting mechanism has to address equity and consistency issues arising from the difficulty in setting rents which objectively reflect affordability and comparability across an extremely varied housing stock. The rent setting mechanism adopted is based on a points system for rent setting that was established via the rent harmonisation process carried out by both OH and Osprey Housing Moray (OHM) independently.

The rent setting point structures are attached as Appendix 1 (OH) and Appendix 2 (OHM). The point structures vary between OH and OHM to take into account the housing stock types of each RSL and the local area they serve.

2. POLICY AIMS

Osprey Housing's primary rent policy aims are to;

- i. state clearly how the key criteria of affordability, viability and comparability will be used in the setting and the annual varying of Osprey Housing's rents;
- ii. ensure that it has a rent structure that is easy to understand, easy to apply, is flexible, fair and transparent; and
- iii. promote tenant consultation and involvement in rent setting. With all tenants and Osprey Tenants and Residents Association (OTRA) being consulted about any rent or service charge changes

3. OBJECTIVES

This policy complements the aims and objectives of Osprey Housing's Business Plan, which includes the following

- i. the provision of affordable social rented housing;
- ii. continuously improving the quality and value of its services;
- iii. employing robust financial planning in our decision making processes;
- iv. encouraging tenant involvement wherever possible.

Osprey Housing recognises the importance of social, economic and political factors in the rent setting process. Osprey Housing will carry out a budget setting process annually, and produce a detailed Financial Business Plan for a 30 year period. The Business Plan will incorporate the short, medium and longer term view of financial viability; the ability to meet future capital renewal, major and cyclical repair obligations.

4. POLICY PRINCIPLES

In setting its rents, Osprey Housing will have regard to the following key principles:

Viability

- i. Sufficient income: the costs of providing the properties should be met from the rents set, in particular that loan charges, voids, management and maintenance costs, including amounts set aside for future expenditure, are met in full.
- ii. Osprey Housing recognises that rents set and reviewed on an annual basis must sustain the business that it operates, and the services it delivers to tenants thereby ensuring financial viability and the long term sustainability of the organisation.

Affordability

- i. Affordability: rents should be affordable to tenants. We use a recognised measure of affordability which applies a variety of economic household factors against our stock profile
- ii. We will also develop measures which take account of the impact on rent affordability, other factors such as the energy efficiency of properties and the limitations on tenants to access benefits to meet housing costs
- iii. Where Service Charges are applied, these will be varied according to actual cost, in line with the statutory obligation to recoup these costs. Service Charges will be taken into account for affordability measures. However, such charges will be assessed separately from the rent structure, in accordance with Osprey Housing's Service Charge policy
- iv. Limited increases: based on our understanding of current and foreseeable economic circumstances any increase in rental income will reflect the following:
 - a. limiting any increase by the equivalent of the year on year increase in inflation + **no more than 2%** as measured each September and published annually in October;
 - b. Ensuring Best Value for tenants by applying the lowest % rent increase that can be sustained by the Financial Business Plan and service delivery. All rent increases will be in consultation with tenants, OTRA, service enhancements development etc

Comparability

- i. Comparability: rents set in each area of operation should represent good value when compared with rents charged for equivalent properties by other social housing providers in that area. This will also take into account Osprey Housing's financial commitments and stock profile.
- ii. Osprey Housing will compare its rent levels annually as part of the Annual Return on the Charter and associated Landlord reports. This will be

compared against other RSLs who operate in the same geographic areas and any other appropriate local housing provider.

ASSOCIATED COMMUNAL COSTS

Charges calculated independently from the rent setting method and are designed to cover the costs of providing and administering additional services specific to each development or tenancy will be included in the rent charge. This includes items agreed and managed on a scheme specific basis, for example:

- iii. Communal grounds maintenance
- iv. Internal common area maintenance
- v. Floor covering and décor of common room areas of supported accommodation
- vi.

Tenant Consultation

- i. Osprey Housing is committed to involving tenants and will adopt a flexible approach to enable tenants to engage as fully as possible in the development of the rent policy. Consultation on policy changes will be carried out with OTRA prior to the relevant Governing Body approval
- ii. In accordance with the Scottish Secure Tenancy (SST) agreement and the Housing (Scotland) Act 2001, Osprey Housing will carry out full consultation on any proposed rent increase, and have regard to tenants' opinions prior to setting the rent level. This will ensure that tenants have the opportunity for input into the process and are well informed about the reasons for any proposed increase

Osprey Housing will inform tenants in writing at least four weeks before any change in rent is applied in accordance with the requirements of the SST.

Rent Differentials

- i. Individual rents may vary by greater or lesser percentages but only with Governing Body approval in the following circumstances:
 - a. to allow for changes to the property or its surroundings, as a result of which the number of points applicable to the property change; or
 - b. to allow for rent phasing or freezing of rents which are still being adjusted from levels applied before the introduction of this policy and rent setting mechanism; or
 - c. Rents for newly built or acquired properties. The rent for new developments may vary dependant on the individual development funding for each particular scheme

4. EQUALITY & DIVERSITY

Osprey Housing is committed to ensuring and promoting diversity and equality of opportunity in housing, employment and provision of services for all people within its range of work. Osprey Housing will treat all people equally and in accordance with the Equality & Diversity Policy.

5. MONITORING AND REPORTING

The following areas will be subject to monitoring on a continuing basis:

- i. Outcomes expected from the Scottish Social Housing Charter
 - a. Charter outcome 13: Value for money - tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay
 - b. Charter outcome 15: Rents - Tenants get clear information on how rent and other money is spent
- ii. Risk management – Strategic risk matrix and Key Performance Indicators
- iii. Training and information for staff

Osprey Housing is committed to involving tenants. Osprey Housing adopt a flexible approach to enable tenants to engage as fully as possible in monitoring Charter outcomes and other assessments of performance by Osprey Housing in relation to this policy. Consultation and communication with OTRA is continual and on-going.

Rental income received will be measured against budget projections during periodic financial reports to Osprey Housing's Governing Bodies. Annual rent increases and associated consultation processes will be assessed by the Housing Committee, Resource and Governance Committee and OTRA, before being approved by the appropriate Governing Body.

6. REVIEW

This policy will be reviewed every 3 years unless the following criteria dictate that it would be best practise to review sooner:

- i. applicable legislation, rules, regulations and guidance, both those which affect Osprey Housing directly and those which affect the resources available to significant numbers of our customers to enable them to sustain tenancies
- ii. changes in the organisation
- iii. continued best practice

7. OTHER RELATED DOCUMENTS

Policies which are linked to this policy and which should be read in conjunction with it, are:

- Group Business Plan
- Financial Business Plan
- Asset Management Strategy
- Tenant Participation Policy
- Service Charge Policy
- Equality & Diversity Policy

OH Rent Point Structure

Characteristics		Points
Apartment Size	1	20
	2	40
	3	60
	4	80
	5	100
	6	120
House Type	Bungalow	100
	Detached	150
	End Terrace	100
	Flat	50
	Mid Terrace	75
	Mobility Bungalow	100
	Semi Detached	125
GFA Band	0-29	15
	30-39	30
	40-49	45
	50-59	60
	60-69	75
	70-79	90
	80-89	105
	90-99	120
	100-109	135
	110-119	150
	120-129	165
Glazing Type	Double	30
	Single	0
External Doors	1	10
	2	20
Door Entry		20
Garden	Communal	10
	None	0
	Private – enclosed	30
	Private – Large	30
	Private – Medium	30
	Private - Small	20
Paths	Private	20
	Shared	10
Parking Type	Communal	0
	Private or Driveway	20
	None	0

Heating	Full heating system	40
Facilities	Bath	10
	WHB	
	1	
	2	10
		20
	WC	
	1	10
	2	20
	Separate Shower	
	Over-bath Shower	20
Level Access Shower	10	
	20	
Kitchen		
Basic	15	
Fully Fitted	30	

OHM Rent Point Structure

Characteristics		Points
House Size	Each Public Room	10
	Each Bedroom	15
	Each Bed space	7
	Each additional WC	5
	Each additional Shower room (gr fl)	5
House Type	Base property value	50
	Ground floor/1 st floor Flat	60
	Flat 2 nd /3 rd floor level?	50
	Flat –self contained	60
	Maisonette	60
	Mid Terraced	75
	End Terraced	85
	Semi detached	85
Detached	105	
House Attributes	New Build	10
	New Build over 10 years old	7
	Refurbished	5
Facilities	Near schools	6
	Near medical Facilities	6
	Public Transport available	6
	Near to local shops	6
Travel	Within town (Elgin, Forres, Buckie, Keith)	25
	Under 10 miles to town	10
	Over 10 miles to town	0
Garden	No garden	0
	Shared garden	5
	Private garden	7
Energy Rating	EPC Rating 1 – 68	1
	EPC Rating 69 – 80	3
	EPC Rating 81 – 91	5
	EPC Rating 92 or over	7
Heating Type	Exhaust Heat Recovery System	10
	Gas Central Heating	8
	Oil Central Heating	6
	Electric Wet System	2
	Electric Storage	0