



**Drumchapel
Housing**
Co-operative Limited

Rent Policy

This document can be produced in various formats, for instance, in larger print or audio format and it can also be translated into other languages upon request.

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Contents

	Item	Page No
1.	Introduction	3
2.	Aim	3
3.	Policy Objectives	3-4
4.	Rent Setting Framework	4
5.	Client Groups	4-5
6.	Regulatory, Legislative and Good Practice Framework	5-6
7.	Equality and Diversity	6
8.	Affordability	6-7
9.	Comparability	7
10.	Viability-operating costs and strategic planning	7
11.	Rental attributes	8
12.	Exemptions	8
13.	Tenant Consultation	8-9
14.	Policy Review	9
15.	UK General Data Protection Regulations Privacy Statement	9

1. Introduction

- 1.1 The Co-operative was established in 1987 as a fully mutual Co-operative with the transfer of 313 properties from Glasgow City Council. The Co-operative refurbished the properties and subsequently built another 166 properties and a multiple occupancy unit bringing the total number of properties to 480 – 479 self-contained properties and one self-contained unit.
- 1.2 All the Co-operative tenancies are Scottish Secure Tenancies under the Housing (Scotland) Act 2001. Responsibility for rent setting lies with the Co-operative and as a result are not covered by the fair rent system.
- 1.3 Rents are the main source of our revenue income. In setting our rents we must take account of the need to cover the costs of management and maintenance, including the requirement to make prudent provision for future repairs, loan repayments and charges and a small surplus towards a risk cover reserve. Any review of rent levels must ensure that the Co-operative's revenue expenditure is adequately resourced both in the short and long term.
- 1.4 It is vital that the rent policy meets not only the existing aims of the Co-operative but is flexible enough to meet the future needs and any subsequent changes to the stock profile. The policy has been framed to ensure the rent charge reflects the varied internal amenities and house types prevalent in our housing stock
- 1.5 This document details the aim, principles, and framework on which our rent setting is based and how we will consult with our residents on these charges.

2. Aim

- 2.1 The Co-operative's prime aim is to maintain and improve the quality of housing service, housing stock and its environment, balancing affordability of rents within the means of people in housing need while ensuring the financial viability of the organisation.

3. Policy Objectives

- 3.1 Affordability - it is the objective of Drumchapel Housing Co-operative, as far as practically possible and subject to the resources available to it, to ensure that rents are affordable.
- 3.2 Transparency and Fairness - to provide a method of calculating rent and to ensure that the method of calculation is transparent and easily understood and that the rent charged reflects the amenities of the property.

- 3.3 Comparability and Value for Money - the policy aims to keep rents as low as we can, comparable with other local housing providers, at a level sufficient to provide quality services offering value for money while ensuring the viability of the Co-operative.
- 3.4 Viability - to ensure that the Co-operative's total rental income covers its total expenditure, including related management costs, maintenance services, loan repayment and charges and prudent provision for the future repair of its properties.

4. Rent Setting Framework

- 4.1 The rent setting process is an integral part of the Co-operative's internal management, budgeting, and longer-term planning processes.
- 4.2 The Co-operative's rents are set by the Management Board. Annual variations in rents and rent increases require to be formally approved by the Management Board by February each year.
- 4.3 Such approval will occur after receipt by the Management Board of an annual rent report which will outline tenant consultation measures taken and feedback tenants' views expressed.
- 4.4 The rent structure is based on a similar system to that of a "points-based system". A "basic charge" ensures management and maintenance costs are covered for all properties. Surcharges related to property size are added to reflect the potentially higher management and maintenance costs for larger properties.
- 4.5 The Co-operative's long-term projections are based on the Co-operative keeping rent increases to inflation rate either CPI or RPI published by the Office for National Statistics in October. Assuming normal circumstances prevail in relation to the Co-operative's costs the Co-operative will aim to apply an increase of no more than inflation. If the budget process indicates a different increase would be required to cover costs however, having due regard to other factors, including average earnings, and welfare benefit levels the rental increases will be reviewed specifically in line with such financial information.

5. Client Groups

- 5.1 The Co-operative aims to continue to house a wide range of client groups including families, couples, single persons, and the elderly as well as special needs groups such as the less able bodied and those with support needs.
- 5.2 At 31 March 2024, 58% of our tenants received full or partial Housing Benefit/ Housing Costs from Universal Credit and 49.6% of our income was derived from Housing Benefit and Universal credit housing costs.

- 5.3 Allocation of our properties is based primarily on housing needs regardless of financial circumstances.

6. Regulatory, Legislative and Good Practice Framework

- 6.1 Under the terms of the Housing (Scotland) Act 2001, the Co-operative is responsible for setting rent levels for properties within its ownership and for consulting with the residents involved. This is embodied in the Co-operative's Scottish Secure Tenancy Agreement.
- 6.2 The Scottish Government, through the Social Housing Charter, sets the outcomes it expects social landlords to achieve for its tenants. In terms of how rent and service charges are applied the relevant Social Housing Charter indicators include:
- 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.
 - Outcome 14/15 – Rents and Service Charges
Social landlords set rents and service charges in consultation with their tenants and other customers so that a balance is struck between the level of services, and how far current and prospective tenants and other customers can afford them.
Tenants get clear information on how rent and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.
- 6.3 The content of this policy is aligned to Standards 2, 3 and 5 of the Scottish Housing Regulator's Regulatory Framework.
- Regulatory Standard 1: The governing body leads and directs the RSL to achieve good outcomes for its tenants and other service users.
 - Regulatory Standard 2: The RSL is open about and accountable for what it does. It understands and takes account of the needs and priorities of its tenants, service users and stakeholders and its primary focus is the sustainable achievement of these priorities.
 - Regulatory Standard 3: The RSL manages its resources to ensure its financial wellbeing, while maintaining rents at a level that tenants can afford to pay.
 - Regulatory Standard 4: The governing body bases its decisions on good quality information and advice and identifies and mitigates risks to the organisation's purpose.
 - Regulatory Standard 5: The RSL conducts its affairs with honesty and integrity.

- 6.4 The SFHA Rent Setting Guidance and Affordability Tool has been taken into account in the development of this policy.
- 6.5 This policy supports the strategic requirements of the Co-operative's Business and Development Plans, Standing Orders and Strategic Objectives.

7. Equality and Diversity

- 7.1 The Co-operative's Equality and Humans Rights Policy which was approved by the Management Board in April 2024 addresses the legal and regulatory requirements the Co-operative must meet, and how we will translate into tangible outcomes that will benefit our customers, communities, employees, Management Board members and external stakeholders. The Co-operative is committed to ensuring our people and the tenants and residents in our communities do not face discrimination, victimisation, harassment or social exclusion due to any of the following protected characteristics (identified in the Equality Act 2010): age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex or sexual orientation
- 7.2 We are also aware of the potential for policies to inadvertently discriminate against an individual or group of individuals. To help tackle this and ensure that it does not occur, best practice suggests that an organisation carry out Equality Impact Assessments to help identify any part of a policy that may be discriminatory so that this can be addressed (see section 6 of the Equality & Human Rights Policy for more information).

8. Affordability

- 8.1 Affordability is very difficult to define, and affordability will always be different depending on household composition, income and the interplay with the benefits and tax credits regime.' Common approaches to affordability include looking at rent to income ratios and at residual income – how much should be left after rent has been paid. The benchmark in terms of rent as a ratio of income has tended to be to consider it acceptable for housing costs to be 25-30% of income.

The SFHA 'Guide to Rent Setting and: Affordability' guidance recognises that there is support among landlords for an affordability measure that was linked to 'moderate incomes' of working tenants and pensioners but a recognition that having a single measure that captured the different experiences of different types of household in different areas was very challenging. There was also concern that landlords do not generally have access to information about tenant incomes on which to base decisions about rent. A 'moderate incomes' approach assumes that landlords are not able to set rents to be affordable to every single tenant, regardless of how low their income is but that moderate incomes should be

examined when setting rents.

- 8.2 The Co-operative continues to ensure that any tenants experiencing financial difficulties are given advice on accessing money advice services, including our own Welfare Rights Surgeries. This will help tenants to maximise their income and benefit uptake to support affordability. The Co-operative also has an internal Tenancy Sustainment Fund which enables emergency food and energy vouchers to be administered.

9. Comparability

- 9.1 Annual comparability exercises are carried out with other housing providers in the area and benchmarking is undertaken annually with the Quality Efficiency Forum.
- 9.2 Where significant differentials in comparability are observed over a period of time, the Co-operative will establish if there is reasonable justification for these or will take steps to address them. This will be achieved by carrying out a rent restructure which tenants' would be consulted on.

10. Viability-operating Costs and Strategic Planning

- 10.1 While affordability and comparability are important elements in the rent policy, the overriding principle must be that income covers projected expenditure in relation to management, day-to-day and cyclical maintenance, voids and bad debts, major repairs and renewals, loan repayments, loan charges and overheads.
- 10.2 The Co-operative will review its budgets annually and the 30-year projections every three years, in the absence of material change, to ensure the Co-operative can cover all its expenditure needs.
- 10.3 The operating costs to be recovered will be established on an annual basis through the preparation of the Co-operative's annual budget. These costs are classified either as property revenue costs, to be met by basic rents, or service costs to be met by service charges. Costs for long term maintenance are established using life cycle costing.
- 10.4 As a consequence, the annual review of rent levels will ensure that the Co-operative's revenue expenditure is adequately resourced both in the short and long term.

11. Rental Attributes

- 11.1 The “basic charge” is based on an improved two apartment, two person flat. The value system places a monetary value on property size, and attributes of a property and this is added to the “basic charge”. This formula distributes the differentials between smaller and larger properties more evenly and makes provision for the varied amenity levels within different stock types. Percentages will be awarded against each attribute and the total number of percentages for all attributes will be used to calculate the annual rent for a property.
- 11.2 To calculate the annual rent for each property it is necessary to calculate the “value” points relevant to the property and add these to the “basic” charge.
- 11.3 The attributes used in the calculation are:
- an additional 5% for a single bedroom
 - an additional 10% for a double bedroom
 - an additional 10% for each general-purpose room (dining room, utility room etc)
 - an additional 12.5% for a semidetached property
 - an additional 10% for a terrace property
 - an additional 7.5% for a cottage flat
 - an additional 20% for the amenity of a new build property
 - an additional 5% for each additional WC
 - an additional 10% for each additional bath/shower
 - an additional 2.5% kitchen with dining/breakfasting area
 - an additional 1% private parking
 - an additional 2.5% for a car port
 - an additional 2.5% for a main door garden flat
 - an additional 20% for a detached property

12. Exemptions

- 12.1 Service charges are exempt from the rent structure. The costs of services will be calculated, and a fixed charge added to individual rents to cover costs. Typical services provided include common close cleaning and back court cleaning. These elements are separately identified and charged.

13. Tenant Consultation

- 13.1 Rents and service charges are reviewed annually to ensure that costs will continue to be met. Prior to setting rents, the Co-operative will carry out a tenant consultation on the proposed increase. This will ensure tenants have an opportunity to input into the annual variation process and are clear about the reasons for the proposed increase.

- 13.2 This consultation may take the form of letters, tenants panel meetings, tenant questionnaires and newsletters.
- 13.3 Tenants can appeal the proposed rent increase by completing the feedback form on the back of the rent consultation survey or they can text or email their response to the office direct.
- 13.4 Once the Management Board approve the annual rent increase tenants will be notified of the new rents giving four weeks' notice prior to introduction on 1 April.
- 13.5 We will give feedback to tenants following this consultation by way of newsletters, focus groups or letter.
- 13.6 While responsibility for setting rents and rent increases lies with the Management Board, the Co-operative will aim to take the views of its tenants into account wherever possible.

14. Policy Review

- 14.1 The Management Board shall review this policy no less than every three years.

15. UK General Data Protection Regulations Privacy Statement

- 15.1 The Co-operative will gather and use certain information about individuals in accordance with UK GDPR. Staff members have a responsibility to ensure compliance with the terms of the privacy policy and to collect, handle and store personal information in accordance with relevant legislation. The Fair Processing Notice (FPN) details how personal data is held and processed.

Drumchapel Housing Co-operative Equality Impact Assessment



Name of the policy/ proposal to be assessed	Rent Policy	Is this a new policy/proposal or a revision?	A revision
Person(s) responsible for the assessment	Marisa McCarthy – Senior Housing Officer		
Our policy has taken account of Article 6 of the Human Rights Act	<p>This article highlights that “People have the right to a fair trial”.</p> <p>The Co-operative will therefore ensure it makes reasonable adjustments to how they communicate with tenants, and others, when developing policies/delivering services which could result in legal action being taken.</p> <p>In particular, the Co-operative will seek to reduce barriers tenants, and other customers, from specific groups might encounter if they are subject to legal action (i.e. ensuring someone with ‘additional support needs’ understands the legal processes and/or the Co-operative work through any third parties or mediators that person works with, if legal action is initiated to someone with English as a second language the Co-operative will ensure they are provided with access to appropriate translation support, etc.).</p> <p>In addition, if someone was appealing against an allocation decision, required access to additional support (i.e. access to translators, assistance with completing forms, sign-posting to support groups, etc.) then the Co-operative would provide all reasonable assistance.</p>		
Our policy has taken account of Article 8 of the Human Rights Act	<p>This Article highlights people’s “Right to respect for private life, family life and the home.”</p> <p>The Co-operative will seek to ensure policies deal effectively with anti-social issues, noise pollution, neighbour disputes, etc., and policies will avoid exacerbating any issues.</p>		

Rent Policy

Our policy has taken account of Article 14 of the Human Rights Act	<p>This article highlights the “Prohibition of Discrimination” in any areas of the Co-operative’s work.</p> <p>The Co-operative will seek to ensure its policies and decisions are based on the merits of each case and nothing to do with a protected characteristic. The only exception would be a policy / service designed to help a particular group i.e. sheltered housing, caretaker service (designed particularly to benefit the elderly and disabled).</p>
1. Briefly describe the aims, objectives and purpose of the policy/proposal	<p>The aims, objectives and purpose of this policy are to:</p> <ul style="list-style-type: none"> • Ensure as far as practically possible and subject to the resources available to it, to ensure that rents are affordable. • Provide a method of calculating rent and to ensure that the method of calculation is transparent and easily understood and that the rent charged reflects the amenities of the property. • Keep rents as low as we can, comparable with other local housing providers, at a level sufficient to provide quality services offering value for money while ensuring the viability of the Co-operative. • Ensure that the Co-operative’s total rental income covers its total expenditure, including related management costs, maintenance services, loan repayment and charges and prudent provision for the future repair of our properties.
2. Who is intended to benefit from the policy/proposal? (e.g. applicants, tenants, staff, contractors)	The Co-operative, tenants and any other stakeholders.
3. What outcomes are wanted from this policy/proposal? (e.g. the benefits to customers)	<p>The outcomes wanted from this policy are to:</p> <ul style="list-style-type: none"> • Maintain and improve the quality of services, housing stock and the surrounding environment • Balancing affordability of rents within the means of people in housing need • Ensure the financial viability of the organisation
4. Which protected characteristics could be affected by the proposal? (tick all that apply)	

Rent Policy

<input type="checkbox"/> Age <input checked="" type="checkbox"/> Disability <input type="checkbox"/> Marriage & Civil Partnership <input type="checkbox"/> Pregnancy/Maternity <input checked="" type="checkbox"/> Race <input type="checkbox"/> Religion or Belief <input type="checkbox"/> Gender <input type="checkbox"/> Gender Reassignment <input type="checkbox"/> Sexual Orientation		
<p>5. If the policy/proposal is not relevant to any of the protected characteristics listed in part 4, state why and end the process here.</p> <p>There are protected characteristics relevant to this policy.</p>		
<p>6. Describe the likely positive or negative impact(s) the policy/proposal could have on the groups identified in part 4.</p>	<p>Positive impact(s)</p>	<p>Negative impact(s)</p> <p>Disability Those tenants who have a disability may require the policy in an alternative format.</p> <p>Race There may be a language barrier for those tenants whom English not their first language.</p>
<p>7. What actions are required to address the impacts arising from this assessment? <i>(This might include; collecting additional data, putting monitoring in place, specific actions to mitigate negative impacts).</i></p>	<ul style="list-style-type: none"> This policy can be made available in alternative formats upon request such as braille, large font or an audio format. An interpreter service is available upon request and correspondence can also be translated. 	

Signed: M. McCarthy

Job Title: Senior Housing Officer

Date the Equality Impact Assessment was carried out: 14/01/25

Please attach the completed document as an appendix to your policy/proposal report