

**THE MORAY COUNCIL  
COMMUNITY SERVICES DEPARTMENT**

**Rent Setting Policy**

**1. Scope of the Policy**

- 1.1 This policy describes the method used in calculating rents for residential properties owned by the Moray Council Housing Service.
- 1.2 The Rent Setting Policy complies with and supplements the Moray Council's Financial Regulations.
- 1.3 The Council seeks to ensure that the Policy does not discriminate between residents on any grounds and in particular, race, gender, sexual orientation, ethnic origin, religious belief, disability/illness or age. The Council will ensure the promotion of equal opportunities by publishing information and documentation in different languages and other formats such as large print, tape and Braille as required. - standard equal opportunities statement that applies to all policies.

**2. Local Housing Strategy/Corporate Development Plan/ Service Improvement Plan**

- 2.1 The Rent Setting Policy will assist the Council to meet its Housing Plan and Local Housing Strategy. In particular it will assist the Council to provide rented housing at an affordable and fair rent.

**3. Objectives and Principles of the Policy**

- 3.1 The overall aim of the Moray Council's Rent Setting Policy is to provide a fair and affordable method of calculating Council House rents which ensures that rents charged are sufficient to provide an efficient and effective housing service.
- 3.2 The specific objectives of the Rent Setting Policy are: -
- To provide a method of calculating rent which is consistent for all properties.
  - To ensure that rent charged reflects the amenities of the property.
  - To ensure that the method of calculation is transparent and easily understood.

- To ensure that the Council sets rents at a level which is sufficient to provide quality services that offer value for money.

### 3.3 The principles underpinning the Rent setting Policy are: -

- The Council will ensure that the policy complies with and reflects the legal framework and good practice.
- All tenants are consulted in the development and implementation of the policy.
- Communication with tenants should be in plain language and easily understood.
- The Council will implement detailed procedures and agreed practices uniformly across the service.
- Staff training is provided to ensure that staff are equipped to carry out the roles expected of them.

## 4. Legal and Good Practice Framework

- 4.1 The Moray Council will ensure that the Policy complies with current legislation and promotes good practice. This will include the following:

### **Housing (Scotland) Act 2001**

#### **Communities Scotland - Activity standard AS1.6**

This is a performance standard which specifies that:

The Council will set rents that take account of affordability, the costs of managing and maintaining houses, comparability with other social landlords in the area, and that enable the Council to service existing loans and fulfil contractual obligations. The Council has a fair system for apportioning rents between individual properties.

## 5. Freedom of Information

- 5.1 The Freedom of Information (Scotland) Act 2002 came fully into force on 1 January 2005. The purpose of this Act is to “provide a right of access by the public to information held by public authorities”. In terms of section 1 of the Act, the general entitlement is that a “person who requests information from a Scottish public authority which holds it is entitled to be given it by the authority”. Information which a person is entitled to is the information held by the public authority at the time that the request is made. However, there are exemptions to

this ruling to ensure that 'personal data' is not disclosed in breach of the Data Protection Act 1998.

## 6. Method for calculating rent

6.1 The Council will use a points based scheme to calculate the rent of all residential properties owned by the Housing Service.

6.2 The points based scheme will consider **seven** attributes of a property. These attributes are based on the characteristics and amenities of a property. Each attribute will have a number of elements to reflect the varying characteristics of properties.

6.3 Points will be awarded against each attribute and the total number of points for all **7** attributes will be used to calculate the weekly rent for a property by applying a multiplier. This multiplier will be common to all properties.

6.4 The attributes to be used in calculating rent are:

- Property type
- Bedrooms
- NHER value
- Garden
- Kitchen standard
- Location
- **Council new build**

6.5 Property type and the number of bedrooms will be the main attributes used in calculating rents with the number of points allocated to these attributes receiving higher weighting.

6.6 The definitions of the attributes and the number of elements in each are as follows:-

Property type (14 elements)

Indicates the type of property. E.g. semi-detached, ground floor flat,

Bedrooms (8 elements)

The number of bedrooms in a property. A bedsit is classed as 0 beds

NHER value (3 elements)

This is the energy efficiency rating of a property based on the National Homes Energy Rating scale of 1 to 10.

Garden (3 elements)

Whether a property:

has a garden for the sole use of the tenant (this includes a garden which has a shared path for access)  
has a garden shared with another property  
has no garden

Kitchen standard (2 elements)

Whether the kitchen in a property is above or below the Scottish Housing Quality Standard

Location (5 elements)

The town, village or settlement in which a property is situated. This will be based on the lettings areas used for the Council's Allocation Policy.

**Council New Build**

***This is an additional rental premium based on a percentage of the points allocated in the "Property Type" and "Number of Bedrooms" Elements.***

6.7 A full list of the attribute, elements and point values to be used in the Rent Setting policy is detailed in **APPENDIX I**.

6.8 Examples of how rent is calculated are detailed in **APPENDIX II**

**6.9 *Where the council agrees with the tenant to fit an over bath shower there will be a flat weekly rate charged to recoup the cost of the shower over a 12 year period. This rate will be updated annually for new entrants to the scheme.***

**7. Changes to attributes**

7.1 The Council will review the rent of a property following a change to any of the attributes used in the calculation of the rent.

7.2 Any resulting increase in rent will be effective 60 days from the date of the change. The Council will give 28 days written notice of any increase in rent.

**8. Introduction of Policy**

8.1 The Council will consider the effect on tenants of any differences in rent levels between existing rents and those calculated under the policy.

8.2 The Council will phase in increases in rent by awarding Transitional Relief. This will ensure that no tenant will have an annual rent increase of more than £3.00 per week until the rent converges with the target rent. The increase of £3.00 will include the annual rent increase for inflation.

- 8.3 Where the target rent is less than the existing rent, the rent will be frozen at the current level until the annual inflation increase allows it to converge with the current rent. If the reduction in rent is more than £5.00, a reduction in rent will be applied for any amount exceeding £5.00.
- 8.4 When a property becomes void, Transitional Relief will cease and the rent will be set at the level calculated under the policy.

## **9. Review of rent levels**

- 9.1 The Council will review its rents annually as part of the budget process.
- 9.2 As part of the review process, tenants will be consulted on any proposed rent increase.
- 9.3 At least 28 days written notice will be given to tenants in the event of any rent increase.

## **10. Review of decision and complaints**

- 10.1 A Review Process exists for tenants who are not satisfied with the way their rent has been calculated. In the first instance a tenant can ask for an explanation from their Area Housing Officer. If the tenant is not satisfied with the explanation they should write to the Senior Area Housing Manager requesting a review of the rent level. A tenant who is still not satisfied will have the right of appeal to the Community Services Housing Sub-Committee.
- 10.2 The Council operates a Complaints Procedure that is available to any tenant who is not satisfied with the way their case has been dealt with. Details of the Complaints procedure can be obtained from any Council office.

## **11. Performance Monitoring**

- 11.1 The Council will monitor rent levels and rental income generated under this policy.
- 11.2 The Council will also monitor the following:-
- The level of requests for review of rent
  - Progress on the removal of transitional relief
  - The impact of rent increases on the Allocations Policy
- 11.3 Reports will be submitted to Community Services committee as part of the budget setting and monitoring process.

**12. Review of policy**

12.1 This policy will be reviewed in **2013**.