



Rent and Service Charge Policy Summary

The Rent and Service Charge Policy of Glasgow Housing Association aims to ensure that the Association has sufficient rental income to fund its Business Plan whilst charging affordable rents.

Key aspects of the Rent Policy include:

- At the time of stock transfer GHA agreed to charge tenants transferring to GHA the same rent as the Council charged prior to the transfer
- A guarantee to transferring and new tenants that the annual rent increase will not be the rate of inflation (as measured by the Retail Price Index) up to 2008
- A further guarantee to transferring tenants that their rents will not increase by more than 1% above the inflation rate from 2008 to 2010
- A planning assumption that from years 2011 to 2032 that rents will not increase by more than 1% above RPI. This is not a guarantee
- GHA will restructure its rent and service charges in 2008
- All tenants and registered tenants organisations will be consulted about any rent or service charge changes, in accordance with the Housing (Scotland) Act 2001

Rent Restructure

GHA seeks to restructure the rent charged for its properties in 2008 and will consult tenants and LHOs about this. In developing a new rent structure, GHA will take account of the following factors:

- The need for rent to be affordable for tenants on low incomes
- The features and quality of the housing and the surrounding area
- The management and maintenance costs that need to be charged

- The charges for any services that are provided
- The rents charged by other housing providers for similar quality housing in similar areas

The restructured rents charged from 2008 may result in new tenants paying a different rent to existing tenants, even if they rent the same type of property. This is because new rents can be charged straight away to new tenants, while those who were tenants at the time of stock transfer will still be covered by the rent guarantee.

Service Charges

Some tenants receive services such as stair cleaning, grass cutting and close cleaning. In multi-storey flats and deck access, tenants receive a concierge service. Tenants in sheltered housing also receive additional cleaning and maintenance services.

At the time of transfer, the costs of these services were 'pooled' across the entire stock and paid for from each tenants rent. As GHA have guaranteed tenants that existing rents (with increases for inflation) will apply until 2008, these services will continue to be pooled.

GHA will consult tenants on alternative options for covering the costs of providing these services as part of the rent restructuring proposals.

Separate service charges are currently charged for the following services.

- District/Group Heating
- Furniture
- Front Garden Maintenance

GHA guarantees that these service charges will not increase annually by more than the rate of inflation up to 2008.

Any new services introduced by GHA following transfer will be charged as separate service charges in addition to the rent.

Annual Rent Review

GHA will review its rents annually in accordance with the terms of the Scottish Secure Tenancy and Short Scottish Secure Tenancy. Any increase in the rent will be notified to tenants in writing and will apply from 1st March each year.

The rent increase will be based on the published twelve-month increase in the Retail Price Index for October of the preceding year. The Retail Price Index used will be the 'Headline rate', inclusive of all items.

GHA will consult with all tenants and Registered Tenants Organisations and LHOs regarding the annual rent review.