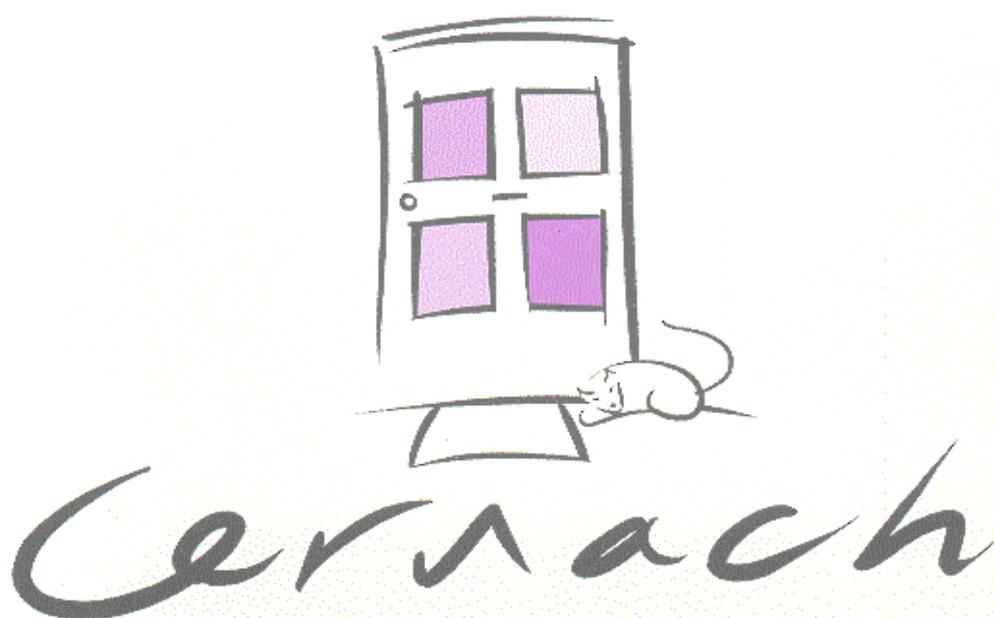


**CERNACH HOUSING ASSOCIATION
LIMITED**



RENT POLICY

Date Approved by Management Committee:	05 March 2026
Date Issued to Staff:	06 March 2026
Due for Review:	March 2029

Cernach Housing Association Rent Policy(Cont'd)



1. Introduction

- 1.1 This policy outlines the methodology that Cernach Housing Association uses to set rents and service charges.
- 1.2 The Association's main aim is to maintain and improve the quality of housing service, housing stock and its environment at a cost within the means of people on low incomes.
- 1.3 In accordance with our aims, the Association sets rents on the basis of its own costs, comparable rents of other Social Rented Landlords, and what is considered affordable to our client group.

2 Policy context

- 2.1 Rents are the main source of our income. In setting our rents we must take account of the need to cover the costs of loan charges and of management and maintenance, including the requirement to make prudent provision for future repairs, and adequate surpluses for our reserves. Any review of rent levels must ensure that the Association's revenue expenditure is adequately resourced both in the short and long term.
- 2.2 The rent setting process is an integral part of the Association's business planning, including budgeting and longer-term planning.
- 2.3 It is vital that the rent policy meets not only the existing aims of the Association but is flexible enough to meet 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.
- 2.4 Annual rent reviews are subject to tenant consultation and are agreed by the Management Committee. All reviews will be linked to the Consumer Price Index (CPI) inflation at the end of September each year – this is generally available in the middle of November. Our business plan assumes CPI increases year-on-year but individual reviews may vary.

Cernach Housing Association Rent Policy (Cont'd)

3 Legislative & Regulatory Framework

- 3.1 Cernach HA will comply with the law and guidance notes issued by the Scottish Housing Regulator in terms of rent setting and service charges.
- 3.2 This policy has been developed within a framework that ensures proper compliance with legislation, regulatory advice and good practice including:-
- Housing (Scotland) Act 2001, 2010, 2014
 - Scottish Social Housing Charter
 - Scottish Secure Tenancy Agreement
 - Short Scottish Secure Tenancy Agreement
 - General Data Protection Regulation and Data Protection Act 2018
 - Human Rights Act 1998
 - Equalities Act 2010
- 3.3 The Housing (Scotland) Act places a duty on the Association to consult tenants on matters that can have a significant impact on service delivery; this is also embodied in the Association's tenancy agreement and in the Resident Engagement policy.
- 3.4 Agreeing changes to the rent setting policy is one of the key areas where we seek tenants' views. When revising this policy in 2015 & 2018, we consulted widely we discussed the reviews at the residents' panel meeting. We discussed the 2023 review at a residents' panel meeting in January 2023 and the Operations Sub Committee meeting in March 2023. When revising this policy in 2026, we discussed the review at a residents' panel meeting in February 2026 and the Operations Sub Committee meeting in February 2026. The comments made have been taken into account in the updated policy.
- 3.5 This policy has taken into account the requirements set out in the Scottish Social Housing Charter that became effective on 1 April 2012, and which was reviewed during 2016 and 2021.

Outcome 13: Value for Money

Social landlords manage all aspects of their social businesses so that:

- *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 services charges in consultation with their tenants and other customers so that:

- *A balance is struck between the level of services provided, the cost of services and how far current and prospective tenants and service users can afford them.*
- *Tenants get clear information on how rents and other money is spent, including details of any individual items of expenditure above thresholds agreed between landlords and tenants.*

3.6 There is consultation annually with all tenants when setting the rent for the coming year and this includes (i) providing information and (ii) seeking views on value for money. The Association also obtains positive results when tenants are asked about value for money in our periodic independent surveys.

4 Equality and Human Rights

4.1 The Association's Equality and Human Rights policy, which was approved by the Committee in April 2021, outlines our commitment to promote a zero tolerance to unfair treatment or discrimination to any person or group of persons, particularly on the basis of any of the protected characteristics¹. This includes ensuring that everyone has equal access to information and services, and, to this end, the Association will make available a copy of this document in a range of alternative formats including large print, translated into another language or by data transferred to voice.

4.2 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 organisations carry out Equality Impact Assessments to help identify any part of a policy that may be discriminatory so that this can be addressed (please see section 6 of the Equality and Human Rights policy for more information).

¹ The Equality Act 2010 identifies the "protected characteristics" as age, disability, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, gender reassignment and sexual orientation.

Cernach Housing Association Rent Policy (Cont'd)

- 4.3 In line with section 6 of the Equality and Human Rights Policy, the Association carried out an Equality Impact Assessment on this policy and no remedial action was identified as necessary. The full assessment is appended at the end of this policy.

5 Risk Management

- 5.1 The Association has considered the risks of failing to adhere to the policy. Income from rents is the Association's main source of income and the Business Plan depends significantly upon generating revenue from the properties it rents. This is reflected in the risk matrix which identifies a range of mitigating actions that we use on an ongoing basis to minimise/negate or manage each individual risk. We seek to mitigate business risk through appropriately setting rent levels and service charges that are affordable, equitable, transparent and consistent, whilst ensuring at all times that the organisation is financially viable and sustainable. The Assurance sub-Committee monitors progress in relation to the mitigation actions on a quarterly basis and the Management Committee conducts an annual review in December each year and a mid-year review in June.
- 5.2 We have a range of payment methods in place to give tenants a variety of convenient payment methods (see overleaf) and we actively encourage payment by direct debit, where tenants have this option.

6 Affordability

- 6.1 Making sure our rents are affordable to our tenants and future tenants is at the heart of our approach to rent setting. There is no universally accepted definition of affordability in Scotland.
- 6.2 At Cernach to assess affordability, we use the affordability tool published by the SFHA in 2017. Individual rent reviews will use this as required, for example, as part of the annual rent review exercise.
- 6.3 The Association will identify any affordability gaps and ensure that tenants in financial difficulties are given advice on accessing money advice services, including our own in-house welfare rights & tenancy sustainment officer. We can help tenants to maximise their income and benefit uptake to support affordability. Also, we can make referrals to debt and money advisors through third-party agencies.

Cernach Housing Association Rent Policy (Cont'd)

7 Comparability

- 7.1 Annual comparisons are carried out with other housing providers in the area and benchmarking is undertaken annually with the Glasgow and West of Scotland Forum and The Scottish Federation of Housing Associations. The Association needs to keep its rents broadly comparable to other local providers to attract and retain tenants and keep void levels at a minimum.
- 7.2 Overall, our rents are generally lower than other similar organisations, nationally, locally and in similar peripheral estates across Glasgow but, in the event that this was to change, then we would take steps to identify what could be done to bring them more into line with levels charged by other RSLs. For example, we would look closer at operating costs to ascertain where there was any scope to reduce these without affecting service levels.

8 Viability – operating costs and strategic planning

- 8.1 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 charges and overheads. As a consequence, any review of rent levels will ensure that the Association's revenue expenditure is adequately resourced both in the short and long term.
- 8.2 The Association sets its budgets annually in March and reviews the 30-year projections as part of the business planning process. We stress test the key elements of the 30-year figures, and this includes evaluating the impact of lower than anticipated rent increases (both on a standalone basis and in conjunction with other unexpected dips in income/spikes in costs).
- 8.3 The 30-year projections are linked intrinsically to annual rent increases. At present, we have assumed increases of CPI only and this show a healthy position throughout the 30-year period with no pressure points indicated.

9 Rent payment

- 9.1 Rent is due to be paid in advance on the first day of each month. Tenants can opt to pay weekly, fortnightly, four weekly or monthly to suit their particular circumstances, but the overriding principle being that the full month's rent must always be in advance.

Cernach Housing Association Rent Policy (Cont'd)

9.2 To make it as easy as possible for tenants to pay their rent, we offer a wide range of secure payment methods, allowing tenants to choose the method or methods which best suits their needs:

- Direct debit
- Standing order
- Online payment – www.cernachha.co.uk
- Debit card
- Post office
- AllPay – at various locations displaying the pay point symbol or their various digital platforms

10 Rent setting mechanism

10.1 The Management Committee sets individual rents when the Association's first acquires a property (for example, via stock transfer, new build development, or shared ownership buy back). The annual review is also approved by the Management Committee, normally around the end of January each year.

10.2 The Association operates a three-tier system for setting rents:

- a) A “base rent plus points value” system (please see Appendix 1) for all stock not part of the March 2010 stock transfer from Glasgow Housing Association (GHA).
- b) For the transferred stock, the Association uses the amounts charged by GHA immediately prior to the transfer, with the annual updates applied.
- c) For the 2020 new build development, a “base rent plus points value” was used to set individual rents, with an uplift applied due to the high specification and space standards (see Appendix 1) and annual updates are applied.

10.3 Base rent plus points value

10.3.1 The “base rent” relates to the property size and build type on the basis that the cost of building/improving and maintaining properties varies with size and build type. The “base rent” ensures management and maintenance costs are covered for all properties.

Cernach Housing Association Rent Policy (Cont'd)

10.3.2 The “value” criterion places a monetary value on certain amenities and/or attributes attached to a property. These are:

- Main door flat
- Cottage flat
- End terrace house
- Mid terrace house
- Semi detached
- Detached
- Dining room
- Driveway
- Additional full bathroom
- Separate shower room
- Extra w/c
- Separate utility room
- Conservatory
- External storage

10.3.3 The annual amounts added for each of the above are noted in Appendix 1 (at-2025/2026 levels).

11 Exclusions from the rent structure

11.1 The following categories are excluded from the base rent plus points value outlined in section 10:

- a) **Supported housing** – The rents for our small number of supported housing properties do not fall within this rent policy. The core rent is based on mainstream rents and to this cluster allowances and the regular maintenance cost of specialist equipment is added. Provision for the future replacement of furniture, alarms, bespoke kitchens/laundry facilities, bespoke bathrooms and domestic electrical items (such as TVs) is via services charges.

Rents for supported housing will generally also be outside the affordability and comparability criteria. The key criteria used will be:

- Providing accommodation and services tailored to an individual’s needs and achieving best value in delivering this in consultation with the prospective tenant and their family/representatives

Cernach Housing Association Rent Policy (Cont'd)

- Achieving financial viability for the Association in the provision of the accommodation
- b) **Mortgage to rent properties** – Additional costs may be levied to cover any shortfall in the Scottish Government’s funding.
- c) **Shared ownership** – Shared ownership rents will be calculated in line with the Scottish Government’s guidance to reflect the sharing owner’s responsibility for repairs and the percentage share that they own.
- 11.2 It is also important to note that service charges – i.e., the cost attached to providing services such as close cleaning and landscape maintenance – will be added on an actual cost of provision basis for those tenants/sharing owners benefiting from the service. As noted at 11.1a) we will also levy a service charge to the supported housing properties but these monies will be held separately and the funds spent only on the property against which it is charged.

12 Tenant consultation

- 12.1 The Association will consult its tenants about the annual rent review. New rent levels are charged from 1 April each year with the consultation process normally beginning the previous December for a four-week period. This allows sufficient time for the Committee to consider feedback from the consultation and agree the review amount around the end of January. New rent levels are notified to all tenants in writing by the end of February.
- 12.2 This consultation may take the form of letters, tenant meetings, the residents’ panel, tenant questionnaires, newsletters and social media. We will also run a survey for people calling into the office on other matters.
- 12.3 We generally consult on at least two options. These options are agreed by the Committee in November or early December.

13 Complaints

- 13.1 The Association has a published Complaints policy & procedure, which can be used where there is dissatisfaction with this policy or the operation of this policy. Any tenant who feels aggrieved by their treatment under this policy can ask for a copy of the Association’s complaints policy, which is available at the Association’s office and on the website www.cernachha.co.uk.

Cernach Housing Association Rent Policy (Cont'd)

13.2 As with all our service policies, the complaints policy can be made available in large print, translated or on tape. Tenants also have the right to complain to the Scottish Public Services Ombudsman if they are not satisfied with our stage 2 response.

14 Staff Training

14.1 Cernach recognises that it is extremely important that the resourcing and training of staff is adequate to meet all the needs of its tenants. The Association is committed to making training relating to rents available to staff. Training should be updated as appropriate. Staff will be encouraged to network with other RSLs in order to share best practice in dealing with rent setting.

15. Policy Review and Consultation

15.1 The Association has developed this policy in consultation with tenants and the resident' panel and takes account of representations made.

15.2 The Association will make the policy available on the Association website.

15.3 The Operations Sub-Committee will consider the Rents policy every three years with a recommendation to the Management Committee for approval.

15.4 The review will be brought forward if there is need to respond to new legislation and/or policy guidance.

**Cernach Housing Association
Rent Policy (Cont'd)**

Appendix One

Basic Charge 2025/2026

Property Size	New Build	Improved	New Build from 2020 onwards
2 apartment	2765	2600	2861
3 apartment	3303	3246	3419
4 apartment	3444	3375	3564
5 apartment	3622	3560	3749

Value System

Property Attributes Add to basic charge

First Bedroom	1024
Additional Bedrooms:	
Double	124
Single	66
Main Door Flat	372
Cottage flat	466
End Terrace House	746
Mid Terrace House	711
Semi detached	757
Detached	787
Dining Room	78
Driveway	105
Additional full bathroom	110
Separate shower room	57
Extra W/C	27
Separate Utility Room	14
conservatory	94
External storage	16

**Cernach Housing Association
Rent Policy (Cont'd)**

Property Attributes Add to basic charge for New Build from 2020 onwards

First Bedroom	1059
Additional Bedrooms:	
Double	127
Single	68
Main Door Flat	384
Cottage flat	482
End Terrace House	773
Mid Terrace House	737
Semi detached	783
Detached	802
Dining Room	82
Driveway	108
Additional full bathroom	114
Separate shower room	59
Extra W/C	28
Separate Utility Room	15
conservatory	98
External storage	15

Cernach Housing Association Equality Impact Assessment Tool



Name of the policy / proposal to be assessed	Rent Policy	Is this a new policy / proposal or a revision?	Revision
Person(s) responsible for the assessment	Kimberley Cowan		
1. Briefly describe the aims, objectives and purpose of the policy / proposal	The aim of this policy is to set the Association's rent fairly and take account of affordability and financial viability.		
2. Who is intended to benefit from the policy / proposal? (e.g. <i>applicants, tenants, staff, contractors</i>)	Tenants, sharing owners		
3. What outcomes are wanted from this policy / proposal ? (e.g. <i>the benefits to customers</i>)	Have a fair and financially viable approach to rent setting.		

4. Which **protected characteristics** could be **affected** by the proposal? *(tick all that apply)*

- Age Disability Marriage & Civil Partnership Pregnancy/Maternity
 Race
 Religion or Belief Gender Gender Reassignment Sexual Orientation

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. This policy applies to property size, type and amenities rather than anything related to tenants. Therefore not relevant to any specific group over others. While policy actions such as rent charges, arrear actions and recovery apply equally, there are some impacts upon groups which apply generally when communicating with our tenants and residents.

	Positive impact(s)	Negative impact(s)
<p>6. Describe the likely positive or negative impact(s) the policy / proposal could have on the groups identified in part 4</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>		

Signed: Kimberley Cowan (Job title): Operations Manager

Date the Equality Impact Assessment was completed: 13/02/2026

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