

RENT SETTING POLICY

Strategy and Planning

GENERAL - EXTERNAL

Policy Approval Date:	14 March 2024	Date of next review:	14 March 2027
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1. Purpose

The aim of the rent setting policy is to provide a set of principles to guide the setting and variation of rents (in residential properties) which meet legal, regulatory and best practice requirements. The policy aims to balance Riverside's regulatory duty to maintain financial viability by maximising rental income, with the need to ensure that our rents remain affordable to tenants across different income groups, including those on low pay and/or receiving benefits.

It also recognises that principles of legality, regulatory compliance, financial viability and fairness will apply to other rent regimes including:

- The rent element of shared ownership properties
- Intermediate rents (including Rent to Buy)
- Market rents

2. Scope

The policy applies to all Riverside residential rents (including Scotland) and in particular:

- Fair rents
- Social rents including properties subject to special arrangements associated with stock transfers, mergers etc.
- Rents applying to supported housing, including Specialist Supported Housing.
- Affordable rents

The policy does not cover:

- Rents on non-residential properties
- Garages
- Service charges

As a subsidiary, Riverside Scotland has its own Rent Setting Policy which complies with the principles set out in the Group Rent Setting Policy.

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3. Principles

Riverside will set and vary rents at levels which are intended to be affordable to typical tenants in the target customer group, whilst maintaining sufficient income to ensure viability and deliver its charitable objectives. Rent setting will comply with legal and regulatory requirements, and whilst rents may vary geographically, they will not be set with regard to personal circumstances.

The desired outcomes are:

- **Legal and regulatory:** Both policy and practice will be within the law and will meet all regulatory requirements including the Regulator of Social Housing's Rent Standard and the Policy Statement on Rents for Social Housing issued by the Department for Levelling Up Homes and Communities. For Scotland they will also meet the Scottish Social Housing Charter.
- **Contractual compliance:** The setting and variation of rents must be consistent with the relevant clauses in the applicable tenancy agreements or leases, as well as any obligations arising from stock transfer and merger agreements.
- **Affordability:** Social Rents and Affordable Rents must be set at levels which:
 - are below market levels,
 - as far as possible ensure low-income households do not have to spend a disproportionate amount of their income meeting their housing costs, whilst minimising dependence on benefits. Appropriate mechanisms for achieving this affordability outcome will be set out in an accompanying Rent Framework document described below.
 - take account of the operation of the benefit system by ensuring rents are such that benefits will cover eligible housing costs for the majority of households entitled to state support. However for some customers Government welfare policies such as the overall Benefit Cap, may restrict benefit entitlement to levels below the rent charged

For the avoidance of doubt the affordability outcomes described above do not apply to market rented, intermediate rented and shared ownership homes.

- **Viability:** Rents will be set and varied to ensure the rental income stream is sufficient to support Riverside's financial viability and allow the delivery of its' charitable objectives. This includes ensuring that initiatives such as shared ownership and market rent schemes generate sufficient income to maintain their viability.

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- **Compliance with funding requirements:** For shared ownership, mortgage rescue and intermediate schemes, rents will be set in accordance with any funding rules which in turn will ensure the scheme is viable.
- **Information and Engagement:** The policy and principles of rent setting and variation will be the subject of consultation with customers. Whilst the scope for consultation around rent setting can be limited by regulation, we are committed to communicating with customers in a timely manner to ensure they are provided with adequate information around rent setting and increases.
- **Consistency:** Wherever possible rent setting and rent variation will be consistent across The Riverside Group whilst retaining the capacity to reflect:
 - legal and regulatory differences (such as those applying to Scotland)
 - specific contractual agreements (including those in relation to stock transfers and mergers)
 - variations in our stock and tenure type, and the local housing market.
- **Tenancy Sustainment:** Riverside will work with and support its customers to pay their rent using preventative interventions to ensure that financial hardship and the accrual of rent arrears and sundry debt are minimised. Further information can be found in our [Income Collection Policy](#).
- **Regeneration:** Riverside will ensure that where existing customers are affected by our regeneration plans which would result in the direct replacement of their home as part of the scheme, their rent 'type' (such as fair, social or affordable) will remain the same, although the actual rent paid in their new home may be different depending on the size and amenities of the property. Further detail will be set out in our Rent Framework.
- **Promotion of Equality:** The rent setting policy will be applied equally to all tenants of Riverside. It will not have a disproportionate adverse impact on any of the groups with protected characteristics in relation to equality of opportunity.

4. Further Information & Support

The policy is designed to set out high level principles which are relevant across the Group. For this reason a more detailed Rent Framework document has been developed to set out our approach to the different mechanisms for the setting and varying of rents. This is varied from time to time, outside the standard policy review cycle.

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The Rent Framework document sets out the definition of technical terms used in this document.

5. Roles and Responsibilities

Full details of the operation of the rent setting and variation system (including governance arrangements) are set out in Chapter 2 of the Rent Framework.

6. Risks

In setting and varying rents Riverside has a very low risk appetite and high risk threshold. Compliance with this policy and the accompanying Rent Framework is required for all residential rents, and any variation in practice must have specific Group Board consent.

There is an annual review of compliance with the regulatory standards that are set out by the English and Scottish housing regulators, regular data quality monitoring and periodic compliance checks undertaken by Group Audit.

7. Appeal & Complaints

Customers can complain about Riverside's adherence to the Rent Setting Policy and Rent Framework or other aspects of the rent setting process under our Complaints Policy which is published on the Riverside website.

Some customers also have the right to refer the level of their rent to a third party, depending on the nature of their tenancy. Further details are set out in the Rent Framework.

8. Equality, Diversity and Inclusion

Riverside is committed to Equality, Diversity & Inclusion. We strive to be fair in our dealings with all people, communities and organisations, taking into account the diverse nature of their culture and background and actively promoting inclusion. This policy aligns with Riverside's [Equality, Diversity and Inclusion Policy](#) and has been subject to an Equality Impact Assessment.

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