



Rent Policy

Atrium Homes Rent Policy

Compliant with Scottish Housing Regulator's Regulatory Framework:	1.1, 2.1, 2.2, 3.3, 3.4
Compliant with Tenant Participation Strategy:	N/A
Compliant with Equal Opportunities:	Yes
Compliant with Business Plan:	Yes
Date Approved:	August 2005
Date Reviewed:	August 2006, November 2006, November 2008, January 2009, January 2014, February 2017, March 2019, August 2020
	August 2025
Date for Next Review:	August 2030
	or earlier if required by changes in legislation or guidance, or if the Governing Body sees fit
Responsible Officer:	Director of Housing & Community Services
The Rent Policy has a direct link to the following Atrium policies and procedures:	Debt Management Policy Tenancy Policy Design Brief and Standard Spec Policy

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1. Introduction

1.1 This policy statement outlines the broad principles which will be used by Atrium Homes in the setting of rents and service charges for both existing and new build properties, taking into account both:

- The need to collect sufficient income to ensure the organisation's financial viability;
- The need to provide homes that are affordable for our customers at rent levels that are comparable with other social landlords who provide similar properties. It does not determine actual rent levels or project likely increase over time.
- The need for consistency and transparency in determining property rents; and
- The need for rents to fairly reflect both the similarities and the differences between properties.

1.2 This Policy aims to address the requirements of the Scottish Housing Regulator's Scottish Social Housing Charter outcomes:

Value for money

Social landlords manage all aspects of their business so that:

- Tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.

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 provided, the cost of the 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 any details of individual items of expenditure above thresholds agreed between landlords and tenants.

1.3 The staff of Atrium Homes will be responsible for implementing the policy as set by the Board, having particular regard to affordability and sustainability of rent levels.

1.4 Rent Setting and Rent Policy will be the responsibility of the Board of Directors.

1.5 This policy statement was agreed by the Board of Directors on 26 August 2025.

2. Policy Aims

Atrium Homes, when setting the base rents for properties, will address the following matters:

Comparability

- The comparable rent levels set by other social landlords will be examined

Affordability

- Cognisance is taken of the income levels of potential and actual households

Viability:

- Rents will be set at a level which ensures the organisation's financial viability is maintained

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In addition, Atrium will:

- Determine the rent differentials between various properties in an open and transparent way, which reflects the differences in the nature and condition of the housing for rent.
- Ensure that its rents are set and reviewed annually in line with legally correct policies and good practise guidelines and compliant with the Scottish Housing Regulator Regulatory Framework and legislation./SFHA Performance Standards for Housing Associations.
- Ensure that rents are set on an equitable, understandable and consistent basis for new build properties.
- Adopt an approach of rent pooling which ensures that rents are used to provide consistent services to all tenants and that where additional charges are determined to be appropriate for particular properties, these are levied in limited and specific circumstances.

3. Comparability

In determining the rent levels for property Atrium will consider those set by other social landlords in the area and the affordable rent benchmark as determined by the Scottish Government:

Atrium will:

- Collect and evaluate the rents set by other social landlords in any area where it has housing, on an annual basis.
- Aim to set rents that are comparable with those charged by other social landlords for similar property.
- Be able to justify any rent levels that are not broadly comparable with those charged by other social landlords for similar property.
- Take cognisance of the 3-Person Equivalent per unit rent benchmark (*or any superseded benchmark assumption*) determined by the Scottish Government.

4. Financial Viability

Atrium will ensure that rents are set at levels that protect the short and long term viability of the organisation. Atrium recognises that sufficient income must be budgeted for and collected through rental income for it to be financially viable in the short, medium and long term. In this way it can meet its service standard obligations and meet its objectives.

Atrium will:

- Calculate annually the projected expenditure to be financed from rental income under the following headings:
 - Management and overhead costs
 - Reactive/cyclical maintenance costs
 - Provision for future major repairs
 - Loan repayments and compliance
 - Voids and bad debts
- Ensure that rents are set at a level which covers the full costs of delivering services to Atrium's standards in the short, medium and long term.
- Ensure that expenditure is continually monitored against rental income due and received.

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- Minimise the amount of rental income lost through arrears and void periods.

Atrium will not set rents at a level which would threaten the organisation's long and short term financial viability or put it at risk of breaching loan covenants.

5. Affordability

Atrium recognises that in setting rents, it must take account of tenants' and prospective tenants' abilities to pay, giving particular attention to those in low paid employment.

The SFHA's affordability tool assumes that those on a "moderate" income should not pay more than 25% of their income on rent. Atrium will use the tool to provide feedback to Board on Atrium's ongoing rents affordability.

To assist Board in the assessment of affordability within the annual rent setting process, Atrium will undertake a number of processes:

- Make use of the SFHA's affordability tool
- Regularly seek the views of our tenants as part of our ongoing Customer Satisfaction surveys on the affordability of their rent
- Compare our rent levels with other landlords in our Peer Group and a similar geographical location to ensure our rents are broadly comparable

Atrium will:

- Investigate and attempt to determine the levels of rent which would be 'affordable' for those households which the organisation aims to house i.e. those generally disadvantaged in the housing market.
- Maximise tenants' incomes wherever possible.

Atrium Homes will, where possible, continue to monitor affordability issues by collecting income information from new and existing tenants. Atrium will:

- Undertake an income survey with existing tenants as part of the Customer Satisfaction Survey carried out every 2 to 3 years
- Use exit surveys to determine whether rent is a reason for termination of the tenancy.
- Use income and expenditure reviews carried out by the in-house Money Advice team for all new tenants.

6. Property Differentials

Atrium believes that where there are significant differences in the nature or amenity of properties, these should be reflected in the rents set.

Atrium will seek to establish a base rent figure for a 'standard' property and to increase or decrease the rent as appropriate to take account of:

- Size – no. of rooms/square footage
- Occupancy numbers
- House types

Through this process, Atrium will aim to ensure that the differences between rents can be clearly explained.

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The Rent Setting Mechanism which is adopted by Atrium Homes establishes a base rent for a **three person two bedroom flat**, with central heating and double glazing, separate kitchen and bathroom. Rents for other types and sizes of property will be set around the base rent, on the basis of the points system set out below.

In establishing the base rent, the issues of comparability with other local housing providers, the organisation's viability, affordability, and Scottish Government guidance have all been taken into account.

This mechanism is reviewed annually in order to consider the appropriateness of its various components in relation to the actual rents, which it produces.

Points Formula

Atrium has used the Base Rent to set rents for different types of properties. The system works by determining the size and amenities of a property and multiplying the total points by a cash value per point to achieve the annual rent set for the property.

Additional points are awarded under 3 main headings:

- Property size
- Property type
- Amenities

Criteria	Variation from base rent (3 person, 2 bed flat)
Type of housing:	
Flat	Base
Semi detached	6
Mid terrace	+3
End terrace	+3
Detached	9

Size of housing:	
2 person	-3
3 person	Base
4 person	+ 7
5 person	+ 14
6 person	+ 21
7 person	+28
8 person	+35

1 bedroom	-3
2 bedroom	Base
3 bedroom	+ 3
4 bedroom	+ 6

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Amenities:	
Boxroom	+2
Additional dining area	+1
Car port	+2
Garage	+2
Additional bathroom/shower room	+2
Additional WC	+2
Utility room	+1

7. Rent Pooling

Atrium adopts an approach to rent pooling which aims to ensure that all tenants receive consistent services.

This means for example, that rents for a property will not increase in response to planned investment within that property. Instead, rental income from all properties will be pooled and used to cover all business overheads and costs, and in relation to property expenses, the following costs (illustrative rather than exhaustive);

- Rective and void repair
- Cyclical Repair and maintenance
- Planned and major investment including component replacement
- Open area/common landscape maintenance
- New supply

8. Service Charges

Service charges are calculated independently from the rent setting method and are designed to cover the costs of providing and administering additional services specific to each development or tenancy. In appropriate circumstances Atrium will consider levying service charges, in addition to rent charges. Examples of where a service charge might be considered appropriate are

- to cover the costs of the provision of services such as the cleaning, lighting and upkeep of communal areas
- to cover exceptional running or maintenance costs associated with communal items of plant and equipment e.g lifts

If service charges are levied, the amount charged will be separately identified to tenants and any review of service charges will be undertaken at the same time as the rent review.

9. Variations

In some circumstances Atrium may determine to vary the rent, generated via the normal rent setting mechanism, for example:

- In respect of supported accommodation, where there can be additional management costs and the potential risk of substantial void loss being incurred due to delays in identifying and preparing a new tenant for any vacancy that may arise.
- In respect of properties, where the needs of clients require major alterations to layout and or design, (over and above Housing for Varying Needs standards)

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to be carried out to a property.. Additional charges might be levied where the nature and extent of the works could reasonably be considered to have significantly altered the property and generated exceptional maintenance and replacement costs.

- In respect of properties acquired under the under the Mortgage to Rent Scheme or on the open market, where there are exceptional repair and maintenance costs.

10. Role of Board

The Board of Directors will have the ultimate responsibility for rent setting and policy review for all Atrium stock. On an annual basis , Board, supported by input from any informal / formal tenant groups, will approve the rent review consultation process. This process will aim to :

- Inform tenants about our planned investment priorities
- Indicate to tenants what efficiency gains we will look to make in the coming year
- Offer tenants different options in rent levels linked to genuine choices about service delivery or investment decisions
- Allow tenants a wide range of opportunities to provide feedback to allow Board to make an informed decision about rent levels
- We will give at least 28 days notice of any change in rent or service charge levels

11. Rent Review

Atrium Homes will review rents for all properties on an annual basis. The rent review will be the subject of information to and consultation with tenants .

Atrium will:

- Review rent levels annually and agree the setting of the Base Rent
- As specified in the tenancy agreement, apply one rent increase only in every 12 months
- Review services and service charges annually
- Undertake to provide a full written statement of any rent increase and to provide 28 days notice of any change

12. Policy Review

Atrium will:

- Ensure that the policy for rent setting is regularly monitored, reviewed and revised as necessary to take account of changing legislation, good practise guidance, financial projections and performance information collected by Atrium Homes.
- The Policy will be formally reviewed on a 5-year basis.
- Involve tenants in the review process where material changes are being considered.