

## Rent, Services, and Occupancy Charges Policy

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## RENT, SERVICES, AND OCCUPANCY CHARGES POLICY

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## RENT, SERVICES, AND OCCUPANCY CHARGES POLICY

### 1. Statement of Intent

This policy explains how Kingdom sets rents, service charges, and occupancy charges for:

- Social rented properties
- Lead tenancies
- Leased properties
- Other tenures

Our aim is to ensure these charges are fair, transparent, and affordable for our customers.

Rents for Mid Market Rent properties let through Kingdom Initiatives are determined by **Kingdom Initiatives Ltd.**

The detailed rent structure and attributes we use for setting social and lead tenancy rents are provided in **Appendix 1.**

As part of our business strategy, we apply the principles of our [Sustainability Policy](#) to this policy's implementation.

In line with our commitment to equality and diversity, this Policy can be made available in a variety of formats (large print, audio, translated versions). Reasonable adjustments will be made for customers with disabilities.

This policy has been developed and reviewed in consultation with tenants.

### 2. General Principles

The objectives of this policy are intended to ensure:

- The mechanism for setting rents and occupancy charges generates sufficient income to meet our financial requirements.
- The rent structure is capable of setting affordable rents for the different types and sizes of properties in our stock.
- The structure for setting rents and occupancy charges is transparent and is understood by staff, board members, and customers.
- The policy complies with the Scottish Housing Regulator's guidance by ensuring that, where possible, rents set by this policy are affordable to those on low incomes and who do not receive housing benefit or the housing element of Universal Credit.

In support of the policy objectives and our obligations, when reviewing our rent levels, we will:

- Consult with tenants ahead of any change in rents.
- Assess the affordability of the proposed new rent levels.
- Provide and consult on a range of proposed rent level options.
- Provide clear information to our customers on the consultation process and outcomes.

### **3. Affordability**

One of our key objectives is to provide good quality, affordable housing to those on low incomes which is why we take affordability very seriously. However, we must balance this with the need to generate enough income to allow us to continue offering our essential services and remain a financially viable Registered Social Landlord.

While we appreciate that affordability can be subjective and that individual perceptions of affordability are influenced by a range of factors, we carry out affordability assessments as part of our rent review process. For the purposes of these assessments, we have adopted the following definition of affordability:

“Rents are considered to be affordable if the household pays no more than 25 to 30% of their income on rent.”

We will consider the following key factors in our affordability assessments:

- We will take account of the rents charged by the other Housing Associations and Registered Social Landlords in the areas where we have homes.
- We will compare our rents with market rents in the Private Rented Sector.
- We will consider the average household income based on relevant published figures such as the national statistics shared by the Scottish Government.

### **4. Costs to be Covered**

The rent structure provides a framework for setting rents for individual properties, which, when combined, will provide an annual income that covers all relevant costs incurred by us. Costs to be recovered by rental income will include:

- **Housing Management Costs** – costs associated with managing all aspects of a housing service and determined by the annual budget.
- **Maintenance Costs** – costs associated with undertaking day-to-day repairs on properties and maintaining outside communal areas (grounds maintenance).

- **Available homes and Bad Debts** – a provision to cater for income lost through empty homes or rents being unrecoverable.
- **Major Repairs and Renewals** – costs associated with planned maintenance and replacement of components within houses, such as kitchens and bathrooms.
- **Loan Charges** – costs associated with servicing private loans taken out by us to fund the building of additional houses to meet demand and housing need.
- **Insurances** – costs associated with building, public and liability insurances which we must have in place.

## 5. Rent and Occupancy Charges

Kingdom sets rents and occupancy charges based on the following principles:

**Affordability:** Charges are designed to be fair and affordable for our customers.

**Cost Recovery:** Charges reflect the costs of managing and maintaining our homes.

**Comparability:** We benchmark against other social landlords in the areas where we have homes to make sure our charges are consistent.

**Financial Sustainability:** Charges enable us to meet loan commitments and contractual obligations.

We operate a fair and transparent system for dividing rents and charges between individual properties.

Rents apply to properties where a tenant leases a home from Kingdom under a tenancy agreement.

## 6. Service Charges

Service charges are calculated and charged, where applicable, separately from rents and occupancy charges. These must cover the costs of providing additional services, such as stair lighting and stair cleaning, to our customers while also being fair and reasonable. A brief description of how the different service charges are calculated can be found in Appendix 2.

The structure for setting service charges is designed to make sure that they are consistent and remain affordable to customers in low-paid employment, who are not in receipt of Housing Benefit or the housing element of Universal Credit. It must also make sure that we generate enough income to cover the costs of delivering these services to the agreed standard.

## **7. Rent Setting Categories**

We have a number of tenure types covered by this policy. The structure for setting rents for each tenure is outlined below.

### Social Rented (Pre 1989) Tenancies

The number of these tenancies is decreasing. The rents for these properties are set by the Rent Officer once every 3 years.

We will conform to the provisions of the Housing (Scotland) Act 1984 in the re-registration of rents and service charges, but seek at the time of re-registration, to minimise differentials between rents, taking account of the three-year cycle of re-registration.

### Social Rented Properties (Post 1989)

The rents for these properties are set in accordance with Appendix 1. Each property has a base rent and additional charges, in pounds (£), are applied for specific attributes that the property has. For example, the size of the property.

This approach is designed to allow a consistent approach to calculating rents based on fair principles. It should also reflect the size and type of property, be simple to understand, and transparent.

### Leased & Other Social Rent Properties

Leased properties are homes owned by us and leased to our subsidiary (Kingdom Initiatives) a local authority, another Registered Social Landlord (RSL), or a charitable organisation.

These properties are not subject to the rent-setting guidance outlined in Appendix 1, but their rents will be reviewed at the same time as other tenures.

The rent for leased properties will be reviewed annually and approved by the Board, unless the lease or contractual agreement specifies an alternative arrangement. In addition, all costs associated with lease renewals and applications for House in Multiple Occupation (HMO) licences, where required, will be included.

## **8. Support with Rent Costs**

We provide in-house tenancy support services to help our customers maximise their household income, reduce expenses, and access financial support. Our comprehensive services include:

- Budgeting assistance
- Benefits guidance
- Energy advice
- Debt signposting
- Tenancy skills development
- Support with household management tasks
- Advocacy
- Mental health and wellbeing support
- Help to access services and opportunities within the community.

When specialist services are required, we will facilitate referrals and work to eliminate any barriers to allow customers to access free, impartial advice. This includes ensuring access to expert debt advice services.

## **9. Review of Charges and Tenant Consultation**

Rent charges are due on or before the first day of every month and there are no rent-free periods.

We will consult with tenants and other customers regarding potential rent and service charge increases, giving reasonable and feasible options to consider. Their views will then be taken into account before finalising rent increases.

We will normally review our rents and charges once a year, and all customers will receive one month's written notice of any change to their monthly charge.

The revised charges will apply from 1 April each year.

If we need to amend your rent or service charge out with the annual review, you will receive one month's written notice.

## **10. Data Protection**

We will treat personal data in line with our obligations under the current data protection regulations and our Data Protection Policy. Information regarding how data will be used and the basis for processing data is provided in our [Fair Processing Notice](#).

## **11. Complaints**

Although we are committed to providing high levels of service, we accept that there may be occasions where you may not be satisfied with the service you have received from us. We value all complaints and use this information to help us improve our services. Our Complaints Policy describes our complaints procedure and how to make a complaint.

## 12. Policy Review

This policy will be reviewed 5 years from the date of implementation or latest review, which will be the date the policy is approved by the Board of Management, or earlier if deemed appropriate.

In the event that this policy is not reviewed within the above timescale, the latest approved policy will continue to apply.

Any policy likely to significantly impact on the customer or changes to the standard of service must be consulted on.

Policy drawn up with reference to: Housing (Scotland) Act 1984  
Housing (Scotland) Act 2001  
Housing (Scotland) Act 2010  
Housing (Scotland) Act 2014  
Data Protection Act 2018

Reference made to the following sources and other guidance: Scottish Social Housing Charter

Prepared by: Rebecca Hain, Neighbourhood Manager

Reviewed by Tenant Scrutiny Panel: 9 December 2025

Reviewed by Business Leadership Team: 31 December 2025

Update to Policy approved by Customer Services Committee: 20 Jan 2026

Next review date: No later than February 2031

## APPENDIX 1 – Rent Setting Structure

Note: The Base Rent and all rental attributes shown in this table are the figures used when the rent structure was implemented as a common reference point. All figures are subject to having the appropriate increases applied as agreed by the Board of Management following consultation with tenants.

### Base Rent Values

<b>Base Rent (All properties)</b>	<b>£460.00</b>
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### Criteria and Values

<b>Attribute 1 - Property Size: Bedrooms</b>	<b>Add Rent</b>
0 Bedrooms	-£150.00
1 Bedroom	-£75.00
2 Bedrooms	-£15.00
3 Bedrooms	£21.00
4 Bedrooms	£71.00
5 Bedrooms	£121.00
<b>Attribute 2 - Property Type</b>	<b>Add Rent</b>
Flat	£0.00
Cottage Flat	£10.00
Mid Terraced	£20.00
End Terrace/ Semi Detached	£30.00
Detached	£40.00

### **APPENDIX 2 – Service Charges**

The main groups of estate management services we provide are as follows:

- 1 .Communal Cleaning Services.
2. Communal Lighting.
3. White Goods, Carpeting and Furniture.

#### **Communal Cleaning**

The charges for this service are applied by calculating the unit cost for cleaning over all the properties receiving the service. This is most often applied to flats with a common entrance and blocks with communal living spaces. We also add a provision for contingencies and the uplift of items left in the communal areas.

#### **Communal Lighting**

The communal lighting charge is applied to flats with a common entrance and for developments where the site lighting is not adopted by the Council. The communal charge is based on the previous year's expenditure for lighting plus an allowance for inflation.

There are two bands of charges applied, one for flats to cover their share of the stair lighting and site lighting and another for the houses for their share of the site lighting.

### **White Goods**

We are now only providing and maintaining white goods for a limited number of properties. We work out a monthly charge for each white good item provided based on the cost of the item and an allowance for repairs and maintenance. The figure is reviewed annually based on the previous year's expenditure, plus an allowance for inflation

### **Furnishings**

In the few instances where furnishings, carpets or soft furnishings have been provided, the monthly charge is based on the original cost of the item and an allowance for maintenance and replacement as required. The figure is reviewed annually based on the previous year's expenditure, plus an allowance for inflation