

Brighter Places

Review of compliance with the Regulator of Social Housing (RSH)'s Rent Standard 2020

Brighter Places (BP) is an RP with over 3,200 affordable and social rental homes located in Bristol and the surrounding area, with plans to build a further 800 homes by 2026.

Objective

Following the creation of BP (merger of Solon (SH) and United Communities (UC)), DTP was asked to undertake a review of BP's compliance with the RSH's Rent Standard. The scope of the review was all rents which have to comply (social, affordable, fair rent) but did not include service charges.

What we did

For social rent properties, we performed a detailed property-by-property (100%) review of the actual rents against the formula rent calculations based on the property details and valuations provided by BP. We checked:

- That the annual adjustments to rents for 2021/22 (20/21 for SH) had been applied in line with the RSH's Rent Standard
- Whether the annual rent adjustments from April 2015 to April 2020 had been applied in line with the RSH's allowed rates
- Whether the current rent for any property exceeded formula rent plus flexibility
- Whether the current rent for any property exceeded the rent cap.



For affordable rent properties, we performed a detailed property-by-property (100%) review of the rent charged. We checked:

- That the annual adjustments to rents for 2021/22 had been applied in line with the RSH's allowed rates
- Whether the annual rent adjustments from April 2015 to April 2020 had been applied in line with the RSH's allowed rates
- We have checked a sample of the valuations used to set the initial rent to see if these are compliant with the requirements of the RSH Rent Standard, i.e. they are no more than 80% of the valuation inclusive of service charges.

We also carried out a desktop review of the Rent and Service charge policies provided for SH and UC.

As these were out of date and referred to the wrong regulatory requirements, we could not test the rents against this policy; however, we provided guidance for BP to consider to ensure full compliance with the requirements of the RSH Rent Standard.

Outcome

BP was provided with a detailed and comprehensive report setting out recommendations to enable BP to strengthen and improve its Rent Standard compliance, and to put in place a new Rent Policy for the merged entity.

Paul worked collaboratively with the team, allowing for clear communication and efficient management of significant and complex data sets from two legacy organisations. Demonstrating a clearly high level of experience and knowledge in the technical requirements of the review, interactions were always timely and undertaken with an understanding of the impact on the business and resulted in insightful advice for longer term improvements.

Grant Giles, Finance Director, Brighter Places