

TOP TIPS FOR RENT SETTING



1. Responsibility and Accountability

- Ensure clear lines of responsibility and accountability across the organisation. Rent setting should be led, understood, and overseen by more than one person to prevent risks around a single point of failure.
- Senior managers across the business should understand the key principles behind rent setting and be aware of the importance of setting rents compliantly, understand the potential impacts if things go wrong, and to test and challenge where required.

2. Developing and Sustaining Key Skills and Knowledge

- Those involved with rent setting should have the right skills and knowledge, ensure they remain familiar with changing regulation and legislation, and keep internal policy and procedures refreshed.
- Boards should also understand the fundamental principles around rent setting regulation and legislation to inform robust governance.
- DTP offers tailored team-based training, for board members and employees, to support providers in ensuring their approach to rent setting is current and meets with legislative requirements.

3. Ensure Data and Data Sources are Accurate and Robust

- One of the most common factors leading to non-compliance with the Rent Standard and associated legislation is poor quality or missing/inaccurate data sources. Providers should check the quality of the data they hold on their stock – is it accurate and robust? How can its integrity be relied upon?
- Internal Audit programmes should include regular checks around data integrity, appropriateness of data sources and application of regulation and other legislation. Audits should consider whether rents have been set correctly and across all different categories of accommodation. Providers should ensure that if a sample is undertaken, it is of valid size to provide assurance.
- If errors are found, the potential impact should be assessed to ensure rents have been calculated and charged accurately.
- Appropriate internal controls for accessing, updating and amending data are essential.
- Boards should consider what assurances they have around the integrity of rent data and compliant rents when considering mergers or stock acquisitions.
- If you haven't had recent assurance of whether your rents have been set and increased correctly, DTP can undertake a bespoke audit for you to provide assurance to your Board.

4. Regularly Review Rent Policies and Procedures

- A robust rent policy and supporting procedures are essential to a compliant rent setting approach.
- Is your rent policy clear, up to date and does it cover all of the different types of rent categories and the decisions made by Board in relation to rent matters?
- DTP can provide guidance and support to ensure your rent policy is fit for purpose and can provide guidance on what should be included.

5. Governance

- Boards of Registered Providers are responsible for ensuring that regulatory and legislative requirements are met and having appropriate oversight of the provider's activities. Rent setting can be one of the most complex areas of any provider's business (particularly when providers have diverse accommodation portfolios) and there are many examples of where it has gone wrong.
- Boards should consider what internal systems and controls are in place to set rents and approve rent increases, how they get the assurance that rent setting within their organisation is robust and fully meets with the array of regulatory and legislative requirements (which can differ across rent categories).
- Boards should be aware of learning arising from wider sector experience, for example complaints, regulatory interventions (e.g., judgements, regulatory notices and ratings downgrades) as well as good practice within the sector and use this to scrutinise and challenge rent setting within their own organisation.

6. Be Open and Honest

- If things do go wrong, swift action is crucial. Providers need to understand how problems have arisen, as it will be difficult to prevent problems arising again unless the root cause is identified and then appropriately addressed.
- Swift, open and transparent dialogue with the Regulator of Social Housing is required if things do go wrong. This should include an action plan which confirms how the Board will ensure that any problems identified are corrected and how controls and governance will be strengthened.
- Do not be afraid to ask for help and seek external support which can be provided in many ways.

DTP can provide a range of support to help providers navigate through the requirements of the Regulator of Social Housing's Rent Standard and associated guidance and legislation. We are experienced in undertaking rent compliance audits, reviewing policies, procedures and processes, helping organisations identify weaknesses and build stronger, more resilient approaches to compliant rent setting.

To have an informal discussion and discuss your requirements, please contact Sarah Jackson, Director at DTP, via email s.jackson@ntp.uk.com or mobile 07983 523574.



Sarah Jackson
Director