

Understanding your Rent and Service Charge Increase for 2022/23

MSV's rents are set using a government formula which ensures that rent levels are capped and remain affordable. As well as this, the government previously introduced a five-year policy that allows housing associations to increase rents in line with inflation. This meant that in April 2020 and April 2021 rents increased, and your rent will increase again this year.

How much are rents increasing?

For the rent year 2022/23 we will be increasing our rents by 4.1% in line with the government formula. An example of this would be a rent charge of £80 a week would increase by £3.28 per week.

How have we calculated the rent increase?

Your new rent has been calculated by combining a 'cost of living' increase which is set using the Consumer Price Index (CPI) measure of inflation at September 2021 which was 3.1%, plus 1% giving an increase of 4.1%.

What is CPI?

CPI is a figure used to measure inflation. It reflects how much the price of common goods and services changes over time across the UK.

CPI is higher than last year because the cost of

goods and services has increased more sharply during the pandemic, and as a result the amount rents can increase has also gone up.

What happens to the additional rent you pay?

We do our best to keep rents and service charges as low as possible, but we do need to be able to deliver services to certain standards. As such MSV is increasing rents by the 4.1% in line with the government's rent formula. This allows us to maintain homes, deliver services and invest in new and existing homes, now and in the future. It is also consistent with the approach being taken by other Housing Associations.

Our priorities have always been to maintain and improve existing homes, build new homes and support customers and communities. These priorities are unchanged and, as a not-for-profit organisation, we plough all income generated through rent increases back into providing quality homes and services. Without the rent increase, this simply would not be possible.

We publish our major works programme on our website. If you would like to see what we are planning for this year, please visit the website and navigate to the You and Your Home page, then select the Replacement/Repairs Programme page.

What about my service charges?

Service charges have previously been maintained at the same level for a number of years at MSV with any increases either not applied or phased to reduce impact on customers. However, due to rising costs of providing services, particularly in respect of utilities, service costs have increased dramatically this year. If we were to apply charges in line with the costs of the services across the board, the increases would be unaffordable for some customers.

We are mindful of the impact of applying large increases on customers, particularly during these difficult times. After careful deliberation the MSV Board have determined that service charge increases will be capped at £5 per week across our general needs social rent and housing for older people stock. The reality is that the costs of services, particularly utilities, has risen, in some cases significantly. We need to recoup these costs at least in part. Subsidising them in full simply wouldn't be sustainable and would impact on services to all customers including those who do not pay service charges.

Please note that service charges do not apply to all customers and where an increase does apply, charges will generally be eligible for housing or other types of benefit.

What will my new rent be?

Enclosed with this leaflet is the formal notification of your new weekly rent which takes effect on Monday 4th April 2022. If you pay a service charge, you will also receive a summary schedule detailing the new charges and a breakdown.

Need help or further information?

If you would like to discuss your rent or if you have any concerns about being able to make rent or service charge payments please contact the Customer Support Team straight away on the details below. We have an experienced team that help with money advice and can work with you if you are worried about being able to make payments. If you are experiencing financial hardship and will struggle to make payments arising from increases to rent or service charges then you may be eligible to apply to our hardship fund.

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Email us at

CustomerSupportTeam@msvhousing.co.uk

Log-in to your 'My MSV' account on the website

Or call the Customer Support Team
on 0161 226 4211

If you would like this information in another format or you wish to access our translation service, please get in touch.

www.msvhousing.co.uk

How each £1 of rent money is spent

