

**McMaster House**

**Rent and Service Charge Summary 2022 - 2023**

**This letter includes details your rent and service charge details for the new financial year 2022/23. A rent increase will be coming into effect from the 01/04/2022. This will allow us to meet rising costs and ensure we are able to continue delivering a good level of service to our residents.**

**What Charges do I pay?**

**Your monthly charge is made up of the following:**

1. Basic Rent Charge
2. Eligible Service Charges (See enclosed sheet)
3. Ineligible Service Charges (Heating and Hot Water)
4. Support Charge (Warden Service, Pull Chords)

**Why is my rent increasing?**

Rents are increasing in line with guidance from the government. This increase will apply to most social housing residents across the country. As Sue previously predicted in the last rent update letter for 2021/22, it was anticipated rents may need to be increased. This is to ensure housing associations can continue to meet ever rising costs, provide good-quality services to tenants and still provide affordable housing.

To keep costs down for social housing tenants, the government sets limits on the level of rent that housing providers can charge. This is in line with the Consumer Price Index (CPI). Housing Associations can raise rent by the CPI figure plus up to an additional 1% per year. The rent increase will combine the CPI for September 2021, which is 3.1%, with an additional 1% – meaning the overall increase will be 4.1%.

We have also reviewed our rent levels against the cost of renting on the open market in the local area. For residents at McMaster House, the average cost of renting a one-bedroom home from us still remarkably cheaper than renting a similar sized property in the local area.

**Where does my rent money go?**

As a not-for-profit society, the rental income we receive is reinvested back into maintaining and operating McMaster House.

The rent increase will allow our income to keep up with rising costs which we have all seen over the last 12 months. This ensures that we can continue to provide a good level of service to residents, make improvements to your homes and ensure that every property meets the highest standards of gas, electrical and fire safety.

Please see a copy of the Service Charge Schedule and Information Sheet on Services provided to residents here at McMaster House.

**Will my Service Charges change too?**

Yes, your service charge will also be amended to reflect the cost of providing your services over the next year. The money you pay us for service charges goes directly towards the cost of providing services to your home at McMaster House.

**Utility costs**

The price of energy is increasing significantly. This is mostly due to the impact of the current price increase for gas and electricity. We’re experiencing the same increases for our utility costs that most fuel customers in this country, and on a global basis, are experiencing.

Your utility costs are based on the average costs over the last year. These have then been increased in line with the general fuel price increases expected to be imposed by suppliers to ensure we are able to meet these costs.

Over twelve months ago, we used a specialist utilities broker to obtain the best possible fuel costs every year. The contract for gas was agreed to offer us competitive rates and ties us in until the end of 2024. This is not set at a fixed rate for the duration of the contract and will variable. Due to the increasing cost of fuel, we may potentially see these costs increase by up to 54%.

The Board have decided to increase Gas and Electric elements of the service charge by 30% rather than 54%. This is to try and make sure we are able to meet these costs and cause minimal disruption to other services that we need to provide but also ensure residents are able to meet these rising costs. Any surplus / deficit at the end of the financial year will cause an adjustment in the following years’ service charge.

**Maintenance Contracts**

We will of course continue to do our best to keep costs down without compromising the services you receive over the next year. This will involve negotiating with our current service providers and obtaining new quotes from other providers to ensure we get the most competitive rates. The majority of our contract costs remain unchanged.

**Building Safety**

Over the next few months, we will be required to introduce new fire safety measures to ensure we meet the standards set out in the Fire Safety Act 2021. We have organised for an independent Fire Officer to carry out a full audit of our current fire safety in place along with our current Fire Risk Assessment and policies. We have managed to obtain this audit at a competitive cost and will ensure that any remedial work required, will be managed to ensure costs are kept as low as possible.

In addition, we have had a large number of Electrical Safety tests due which we are legally obliged to carry out.

**What do I need to do now?**

Please see the enclosed letter which confirms how much your new rent and service charge payments will be from 01/04/2022. You will need to contact your Bank or Building Society and amend your Standing Order to us to ensure the full rent amount is covered in plenty of time before 01/04/2022.

Our Bank details are as follows:

**Account Name: St Luke’s Housing Society Limited**

**Account Sort Code: 30-94-04**

**Account Number: 00140340**

**What if I claim Housing Benefit / Universal Credit?**

If you claim Housing Benefit or Universal Credit, you will need to inform your local authority know what your rent amount will be so they can reassess your claim. You can contact them on the contact details below:

**Oxford City Council**

**Online:** [**www.oxford.gov.uk**](http://www.oxford.gov.uk) **– Benefits Section**

**Telephone: 01865 249811**

We will also let Oxford City Council know what your new rent and service charge payments will be from April 2022. Please be aware, even if you are in receipt of these benefits, it is your responsibility to ensure your claim is in place to cover your rent payments. You will also need to make sure you set up payment to cover any shortfall for the Support and Ineligible charges within your service charges. Your benefits will not cover all of the charges, so you will always be liable for these.

**What if I can’t pay or I’m worried about how this will impact on me?**

In a bid to support residents with rising energy costs, the government announced that residents in England who are in Council Tax Bands A-D will receive a £150.00 rebate in April 2022.

In addition to this, the government are giving money to local authorities where they may offer discretionary payments to residents who are vulnerable or in financial difficulty. Please contact your local authority or advice agency for more details.

If you’re worried about money and think you may have difficulty paying your rent at any time, you can get in touch with us for support. There are staff here that can with you and provide guidance on managing your tenancy and your finances.

You can also visit [**www.stepchange.org**](http://www.stepchange.org/)and [**www.citizensadvice.org.uk**](http://www.citizensadvice.org.uk/) for free advice on benefits and debt advice.

**If you have any other questions about your rent or service charges, you can get in touch with us at**generalmanager@saintlukeshs.uk**or call us on 01865 769726.**

**Improving our service to you**

We plan to have our Service Charges audited by an independent Service Charge accountant during 2022 ready for next year. This will be a big step forward in improving the accuracy of how these services are charged to residents and make sure residents are getting value for money. This will also help the charity plan for the future and decide on what improvements can be made now and in future.

Another benefit is that this will give us more options to share greater information with you about your charges, and anything that may have changed. We would welcome any helpful resident feedback about what information you’d like to receive about your service charges next year. We’re using this feedback to shape how this can be developed in the future.