



Rent Regulation Error Refund / Remediation Policy

To:

Councillor Gerri Bird, Executive Councillor for Housing and Homelessness

Report by:

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Wards affected:

Abbey, Arbury, Castle, Cherry Hinton, Coleridge, East Chesterton, King's Hedges, Market, Newnham, Petersfield, Queen Edith's, Romsey, Trumpington, West Chesterton

Key Decision

This is a key decision. The following report relates to a key decision that has not been included on the Forward Plan for the whole 28-day requirement before the meeting because an urgent decision that now necessitates this report was not made until 26 February 2024 and legal advice was also awaited. With the permission of the Chair of Housing Scrutiny Committee the urgency procedure has been invoked to suspend the 28 day requirement so that the item can be considered at Committee so it is open to scrutiny and debate rather than a decision being made through the out of cycle process.

1. Executive Summary

- 1.1 In late 2023, the Council identified two potential breaches of the rent regulations, which following legal advice were both confirmed as such.
- 1.2 The breaches in regulations have resulted in some tenants being historically over-charged, with the need to refund any overpayment.

- 1.3 This report seeks approval for a refund policy specific to this issue, to sit alongside any other refund policy, to ensure that there is clarity and consistency in respect of considering and making these refunds.

2. Recommendations

The Executive Councillor, is recommended, following scrutiny and debate at Housing Scrutiny Committee, to:

- a) Approve the Rent Regulation Error Refund / Remediation Policy as detailed in Appendix A.

3. Background

- 3.1 In the latter part of 2023, officers identified, and had confirmed two historic breaches of rent regulations.
- 3.2 One was in respect of not correctly applying annual increases and four years of 1% rent cuts in affordable rented homes and the second in respect of incorrectly identifying gas and electrical and mechanical maintenance service charges separately from rent in socially rented homes from April 2004.
- 3.3 Officers have worked to ensure that all rents are corrected from April 2024 onwards, meaning that the period of over-charge could span from April 2004 to March 2024. There are a significant number of both current and former tenants impacted by these historic errors, with the need to calculate over-charges and any resulting over-payment during the relevant period of occupation on a case-by-case basis.
- 3.4 Before any refund is made, consideration will need to be given to whether any of the rent or service charge has been met by the DWP in the form of Housing Benefit or Universal Credit and whether the tenant has any outstanding housing related debt.
- 3.5 Appendix A sets out the proposed Rent Regulation Error Refund / Remediation Policy for consideration, to ensure that there is clarity and consistency for officers and tenants when considering and making multiple refunds over the coming months.

4. Implications

(a) Financial Implications

The financial implications arising from the need to make refunds in respect of the affordable rent regulation error were incorporated into the HRA Business Plan and budget in January 2024. The financial implications arising from the need to make refunds in respect of the service charge rent regulation error will be quantified over the coming months and will be incorporated into the next iteration of the HRA Business Plan and budget later in 2024.

(b) Staffing Implications

The approval of this refund policy does not have any direct staffing implications, but the staffing implications arising from the project to administer the refunds will be addressed by providing additional resource as identified in the urgent decision made on 26 February 2024.

(c) Equality and Poverty Implications

This report considers the need to refund tenants for sums historically over-charged, so no tenant will be asked to pay anything more as part of this policy, and many will receive money back. All affected tenants have been directed to our financial inclusion service if they are concerned about the impact of the error for their specific financial circumstances, and our partner organisations who can also provide financial support and advice will be kept informed.

(d) Net Zero Carbon, Climate Change and Environmental Implications

There are no direct net zero carbon, climate change or environmental implications associated with this report.

(e) Procurement Implications

The approval of this refund policy does not have any direct procurement implications, but any procurement implications arising from the project to administer the refunds will be addressed as they arise. Legal advice has been procured via a framework to date and staffing resource through the Council's temporary agency contract. There will need to be consideration given to the

procurement of any other external support required as the project proceeds, and officers will engage with the Procurement Team.

(f) Community Safety

There are no direct community safety implications associated with this report.

5. Consultation and communication considerations

Consultation with tenant and leaseholder representatives is an integral part of the Housing Scrutiny Committee process.

6. Background papers

Background papers used in the preparation of this report:

There were no specific background papers used in the preparation of this report.

7. Appendices

- Appendix A – Rent Regulation Error Refund / Remediation Policy

8. Inspection of papers

To inspect the background papers or if you have a query on the report please contact:

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