

REPORT TITLE: Rent and Service Charge Policy

To:

Cabinet Member for Housing

Cabinet 21st October 2025

Report by:

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Wards affected:

(All containing council housing)

Director Approval: Director Sam Scharf confirms that the report author has sought the advice of all appropriate colleagues and given due regard to that advice; that the equalities impacts and other implications of the recommended decisions have been assessed and accurately presented in the report; and that they are content for the report to be put to the Cabinet/Cabinet Member for decision.

1. Recommendations

1.1 It is recommended that Cabinet:

1. Approves the Rent and Service Charge Policy, which will be implemented immediately.
2. Provides the Cabinet Member for Housing, Assistant Director Housing and Health in consultation with the Housing Advisory Board delegated authority to update the policy as required.
3. Provides the Assistant Director Housing and Health, Strategic Housing Management Lead and Housing Leadership Board delegated authority to develop all relevant procedures to support the implementation of this Rent and Service Charge Policy.

2. Purpose and reason for the report

- 2.1 This report and attached Rent and Service Charge Policy have been developed to set out how Cambridge City Council's landlord services will set their rents and service

charges in Housing Revenue Account (HRA) owned and managed properties. It has been written in accordance with best practice, legislation and regulation to set out clearly and transparently to our tenants and leaseholders how we set their rent and service charges.

This policy ensures we set our rent and service charges in accordance with the Regulator of Social Housing's Rent Standard 2020 and meets all relevant Housing Legislation.

3. Alternative options considered

- 3.1 The Council's existing policy expires this year, and failure to adopt this policy would leave the Council in the position of not being clear and transparent with tenants and residents or staff on how we set our rents and service charges. This could result in mistakes in the process or now being compliant with the Rent Standard 2020 or relevant housing legislation.

4. Background and key issues

- 4.1 The Council has had a policy for setting for Rent for many years, reviewing every three years as part of the Budget setting process, with the last policy being adopted in 2022. Previous policies have had limited information and didn't cover service charges at all.
- 4.2 In late 2023 the Council uncovered that it had been incorrectly setting its Rent and Service Charges and had overcharged tenants in some cases potentially going back to 2006.

A self-referral was made to the Regulator of Social Housing, who confirmed this was a breach of the Rent Standard and a Regulatory Judgement was given to Cambridge City Council in July 2024.

A large project commenced to re-set the rent and service charges for all current tenants affected by the errors which was completed by April 2024 ensuring all tenants were paying the correct rent from this period. Subsequently we have calculated the

overcharges on all affected accounts and are able to start making refunds in staggered cohorts from late October 2025.

- 4.3 In addition to the work to refund tenants, it is important to ensure this doesn't happen again, and the regulator expects a comprehensive policy with third party assurance as part of the measures to ensure governance over rent and service charge setting. This has led to a much wider review of the Rent Policy and production of the Rent and Service Charge Policy.

To ensure this is compliant with the Rent Standard 2020 and all relevant housing legislation, this has been reviewed by Trowers and Hamlin a legal firm that specialises in Housing and Housing Rents.

- 4.4 The policy lists several different tenure types, it is helpful to provide context on the current stock numbers for these different tenure types. Please be aware due to our new build development scheme, decanting for regeneration and right-to-buys these numbers change almost weekly. These figures are only for properties owned within the ring-fenced Housing Revenue Account and doesn't include any assets that sit within the General Fund such as our office buildings, public car parks or commercial assets such as the Grand Arcade, nor are the Cambridge City Housing Company owned properties included.

Tenure Type	Stock Numbers
General Needs – Social Rent	6072
General Needs – Affordable Rent	997
Sheltered	514
Shared Ownership	84
Temporary Accommodation	146
Commercial Units	117
HMO's	25
Garages/Parking Spaces	1696
Leaseholders	1174

5. Corporate plan

5.1 [Corporate plan 2022-27: our priorities for Cambridge - Cambridge City Council](#)

This policy supports delivery of Priority Two of the Corporate Plan – *Tackling poverty and inequality and supporting those in greatest need*. Council housing provides essential accommodation for households unable to access the private rented sector. Implementation of this policy will ensure tenants are charged fair and accurate rent and service charges.

The policy also contributes to Priority Three – *Building a new generation of council and affordable homes and reducing homelessness*. By applying the correct rent and service charges in line with the Rent Standard 2020, the Council will make best use of its existing housing stock. A proportion of the annual surplus generated will be reinvested to deliver new Council homes.

6. Consultation, engagement and communication

6.1 The draft Rent and Service Charge Policy was taken through the Housing Advisory Board in July 2025 where our Tenant and Leaseholder Representatives and Councillors who sit on the board were able to review the policy and requested the following amendments:

- To include consultation on Rent Convergence, rather than this being approved in the current policy ahead of any details in the new Rent Standard due for 2026.
- To include a section on Management Companies and Managing Agent as we have several estates that have services managed by a Managing Agent.

These have both been incorporated in the policy.

7. Anticipated outcomes, benefits or impact

7.1 This is a brand-new policy that will ensure that Cambridge City Council sets its rent and service charges compliantly with the Rent Standard 2020 and will be reviewed following any subsequent standards being published by the Regulator of Social Housing or amendments to housing legislation.

- 7.2 We are working with our internal audit colleagues for a review to be included in the forward plan to ensure compliance with the policy.

8. Implications

8.1 Relevant risks

There are no relevant risks to adopting the policy, all of the risks are sitting on the alternative option of not adopting the policy.

Financial Implications

- 8.2 The Council's Housing Revenue Account generates an income of circa £58 million in rent and service charges, and this policy governs how we set those. It ensures we are not overcharging, but also that we maximise the income we receive to both manage our existing stock and build new Council homes.

Legal Implications

- 8.3 This policy has been reviewed by Trowers and Hamlin a professional legal firm that specialises in Housing Law and the Rent Standard. This review was to ensure the policy is compliant with the Rent Standard 2020 and all relevant housing legislation which it is.

Equalities and socio-economic Implications

- 8.4 In consultation with Council's equalities lead an equalities impact assessment has not been completed as whilst this is a new policy, it provides clear and transparent information on how the Council sets its Rent and Service Charges it doesn't introduce any new charges or increases that weren't in previous Policies or budget setting reports.

Annual rental increases or the introduction of rent convergence will require an equalities impact assessment.

Net Zero Carbon, Climate Change and Environmental implications

- 8.5 There is nil impact from this policy on climate change.

Procurement Implications

- 8.6 There are no procurement implications.

Community Safety Implications

- 8.7 There are no community safety implications.

9. Background documents

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 9.1 N/A

10. Appendices

- 10.1 Rent and Service Charge Policy.

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

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