

Cabinet Meeting 1st April 2025- Public Questions and Responses

Paul Elstone	Question 1: My first question relates to an error in the minutes of the previous Cabinet Meeting. Why has the Council failed to publish the written answers to the questions I asked at the last Cabinet meeting? This in compliance with the Constitution? Response from the Leader of the Council: Later on in the meeting the Leader responded to Mr Elstone's question 1 with the following: The Leader apologised by stating that although the responses were sent to him within the time frame, the system was not updated on the website, however he confirmed that they had now been published as a supplementary agenda item. Question 2: On examining the newly published Transparency Code data on the Council Website it shows that the MDDC Social Housing stock to be around 2,900 properties. Given that it is understood that the tenants of around 1200 properties have been overcharged rent and that the tenants of around 1600 properties have been undercharged rent. This effectively means just about every MDDC social home property has been subject to an incorrect rent being applied and going back to 2002. The public are being told that the rent calculation mistake was due to an averaging error being made and related to property valuations. Was this error due to a single average property value being used when completing the rent formula calculation in 2002, with the same valuation being applied to every MDDC social property irrespective? If not, what was the precise error?
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Response from Cabinet Member for Housing, Assets & Property Services:

As confirmed in the FAQs on our Housing page of the website this error emanated from applying an average stock valuation across the entirety of the housing portfolio. Since this initial error all national rent changes have been correctly applied.

Question 3:

Very precisely what was average property value used when setting the social housing rents in 2002?

Response from the Cabinet Member for Housing, Assets & Property Services:

Again as shown on the FAQ page the Government has guidelines for calculating social housing formula rents, using a set formula. The Council did not apply this guidance as it should have, and based rents on an average capital value for each property by bedroom size rather than the individual capital value of each property.

Question 4:

Has the identified rent error required this Council to undertake a complete revaluation of all of its 2900 social home properties?

Response from Cabinet Member for Housing, Assets & Property Services:

No, but at the time the error was identified we took the opportunity to reaffirm with the District Valuation Office (DVO) that all of our beacon stock valuations were correct.

Question 5:

As additional social homes have been added to the MDDC social homes portfolio and since 2018 have they also suffered from the same rent calculation error?

Response from the Cabinet Member for Housing, Assets & Property Services:

Yes, as the rent was set based on an incorrect calculation until the error was identified.

Question 6:

Are there any affordable rent homes rentals impacted by the rent calculation error?

Response from Cabinet Member for Housing, Assets & Property Services:

No, affordable rents are calculated based on a different formula.

Question 7:

If so, how many?

Response from the Cabinet Member for Housing, Assets & Property Services:

Based on the answer to 6, this is not applicable.

Question 8:

We are told that all the revised rent calculations are now complete. On this basis what is the full amount of the rent overcharges going back to 2002?

A ballpark figure will do.

Response from Cabinet Member for Housing, Assets & Property Services:

For clarity, we have completed correcting the rents for all over charged tenants. As we have secured KC legal advice to limit any repayments to a 6 year period this calculation is not required.

Question 9:

What is the full amount of the undercharges going back to 2002?

A ballpark figure will do.

Response from Cabinet Member for Housing, Assets & Property Services:

See the answer to 8.

Question 10:

Has this Council been able to identify if any Council or for that matter any Housing Association has made the exact same housing rent calculation error?

Response from Cabinet Member for Housing, Assets & Property Services:

The Councils and Housing Associations we have contacted have made both similar and different errors in rent setting.

Question 11:

If so, can you please provide full details?

Response from Cabinet Member for Housing, Assets & Property Services:

It would not be appropriate for us to share other organisations issues and their associated recovery programmes. However, we remain in contact with them to share experiences and best practice in resolving all associated issues. We are also still in regular dialogue with the Regulator for Social Housing and the Department for Work & Pensions as our own recovery programme progresses.