

Motion by the Administration

City of Edinburgh Council

23 February 2023

Item 4.2 – Housing Revenue Account (HRA) Budget Strategy 2023/2024 – 2032/2033

A cumulative effect of years of Scottish Government underfunding has resulted in this administration identifying alternative ways to allow us to continue to provide for our citizens.

A modest rent rise of 3%, following a two-year freeze, will enable us to retrofit more council homes, saving tenants up to 70% on their fuel bills and helping us achieve our net-zero target. This could also improve tenants' lives by enabling us to further tackle problems of mould and damp by establishing a team to conduct in-depth surveys of the levels of damp and mould in our housing stock and prioritise remedial action.

This below-inflation rise can also ensure we can continue to make progress on building 25,000 council-owned homes by 2032 whilst helping us achieve our ambition to alleviate poverty by 2030.

For the first time ever, we are introducing mitigations, in the form of a Tenant Hardship Fund, to support tenants for whom a rent rise, in the current cost-of-living crisis, would result in severe financial difficulty. We present this Fund in confidence that it can reduce the pressure our most vulnerable residents would face resulting from Scottish Government real term cuts.

Conclusion

Council notes the Housing Revenue Account (HRA) Budget Strategy 2023/2024 – 2032/2033 – referral from the Finance and Resources Committee.

Council therefore:

- Notes the impact of two years' rent freezes and increasing costs and that (based on 3% rent increases over the next 10 years) around 86% of existing homes could be brought up to Energy Efficiency Standard for Social Housing (EESH2) over the lifetime of the business plan and that c.2,400 social rented homes could be delivered.
- Agrees a rent increase of 3% - a 0.5% increase on the Executive Director of Place recommendation.
- Notes the additional financial burden that tenants will be facing from the cost-of-living crisis, and therefore approves the establishment of a Tenant Hardship Fund to support tenants, including those who cannot access benefits.

- Notes that further details of the Tenant Hardship Fund will be presented to the Housing Homelessness and Fair Work Committee on 9 March 2023

Moved by: Councillor Jane Meagher
Seconded by: Councillor Tim Pogson