

Amendment by the Coalition

Housing, Homelessness and Fair Work Committee

20 January 2022

7.6 – Housing Revenue Account (HRA) Budget Strategy (2022-32)

Committee recognises the cost of living crisis, with the cut to Universal Credit of £20 a week; the increase in National Insurance contributions which begins 1st April 2022, and which is the most regressive form of taxation, disproportionately affecting those on the lowest incomes; the increase in energy costs and the self-imposed Welfare Cap, introduced by the Conservative UK Government.

Committee also notes the underspend in capital expenditure, arising from slippage in the capital programme which has been caused by restrictions due to the Coronavirus Pandemic.

Committee therefore agrees to add to the recommendations:

Adds to 1.1.1:

However, in view of the cost of living crisis, which has only become fully apparent after the consultation with tenants, Committee recommends a zero increase in council rents during the coming year.

Adds to 1.1.3:

Therefore, asks officers to provide an amended proposal incorporating the rent rises needed during the following four years to compensate for the loss of rent income in the coming year in addition to other budget scenarios they have prepared.

Adds to 1.1.5:

Asks that Finance and Resources Committee are provided with the amended proposal outlined at 1.1.1 and 1.1.3 (above).

Moved by: Councillor Kate Campbell

Seconded by: Councillor Mandy Watt

Full text of revision:

1. Recommendations

1.1 It is recommended that Housing, Homelessness and Fair Work Committee:

1.1.1 Notes the outcome of the annual rent consultation with the majority of tenants supporting a 1.8% rent increase in 2022/23. **However, in view of the cost of living crisis, which has only become fully apparent after the consultation with tenants, Committee recommends a zero increase in council rents during the coming year.**

1.1.2 Notes the outcome of the annual review of the Business Plan and based on a 1.8% rent increase in 2022/23 (2% per annum thereafter) this would enable a £2.9 billion ten-year investment programme to deliver Council commitments, including 10,000 new affordable homes by 2027 and net zero carbon by 2038 (eight years later than originally planned);

1.1.3 Notes that freezing rent for a second year in a row would either require higher rent increases in future years or the withdrawal/reduction of housing services or a reduction in investment in new and existing homes or a combination of all. **Therefore, asks officers to provide an amended proposal incorporating the rent rises needed during the following four years to compensate for the loss of rent income in the coming year in addition to other budget scenarios they have prepared; and**

1.1.4 Notes the risks to the delivery of the plan set out in Appendix 3 and that officers will continue to work with Scottish Government to maximise grant funding for both the new build programme and the transition to net zero carbon to support delivery of the 2030 net zero target and to keep rents affordable; and

1.1.5 Notes that approval will be sought from Finance and Resources Committee and the Council on the draft ten-year capital investment programme and proposed 2022/23 rent increase. **Asks that Finance and Resources Committee are provided with the amended proposal outlined at 1.1.1. and 1.1.3 (above).**