



East Lothian
Council

2a

**HOUSING REVENUE ACCOUNT, INCLUDING
COUNCIL HOUSE RENT PROPOSALS,
2026/27–2030/31**

**ADMINISTRATION & CROSS-PARTY
PROPOSALS**

This document provides a summary of key recommendations for the Administration & Cross-party Housing Revenue Account (HRA) budget proposals for the upcoming financial year.

Council is asked to:

1. Approve the Housing Revenue Account budget proposals set out in Appendix 1a, noting that this will give rise to a 7% increase to rents, bringing the average weekly rent to £93.58, equivalent to an average weekly increase of £6.12.

Appendices

Appendix 1a – HRA Budget Proposals (Administration & Cross-party)

EAST LOTHIAN COUNCIL

ADMINISTRATION / CROSS PARTY HRA BUDGET PROPOSALS 2026/27 TO 2030/31

	2026/27 Budget	2027/28 Budget	2028/29 Budget	2029/30 Budget	2030/31 Budget
Rent Increase	7.00%	5.00%	5.00%	5.00%	5.00%
New Homes	95	120	54	118	89
Cumulative New Homes since 22/23	664	784	838	956	1045

BUDGET	£000	£000	£000	£000	£000
Income					
House Rents	(45,554)	(48,727)	(51,485)	(54,617)	(57,290)
Garage Rents	(834)	(876)	(920)	(966)	(1,014)
Services/Service Charges	(820)	(861)	(904)	(949)	(996)
Other Income	(132)	(136)	(140)	(144)	(148)
Interest	(133)	(133)	(133)	(133)	(133)
Total Income	(47,473)	(50,733)	(53,582)	(56,809)	(59,581)
Expenditure					
Employee Costs	4,650	4,789	4,932	5,075	5,225
Repair Costs	14,585	15,170	15,777	16,407	17,062
Void Rents	838	907	970	1,025	1,087
Garage Void Rents	235	254	272	287	304
Bad Debt Provision	421	456	487	515	546
Operating Payments	1,494	1,534	1,574	1,616	1,660
Transfer Payments	262	269	276	283	290
Internal Recharges	3,804	3,915	4,029	4,148	4,271
Debt Charges	18,141	19,623	20,863	22,104	22,757
Total Expenditure	44,430	46,917	49,180	51,460	53,202
Management of Balances					
Opening (Surplus) / Deficit	(1,641)	(1,684)	(1,500)	(1,901)	(2,251)
Capital from current revenue	3,000	4,000	4,000	5,000	6,000
(Surplus)/ Deficit for Year	(3,043)	(3,816)	(4,402)	(5,349)	(6,379)
Closing (Surplus) / Deficit	(1,684)	(1,500)	(1,901)	(2,251)	(2,630)

Debt to Income Ratio	38.21%	38.68%	38.94%	38.91%	38.20%
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Capital Expenditure						5 Year Total
Modernisations, Extensions & Energy Efficiency	16,786	18,547	19,232	19,860	22,253	£000 96,678
New Affordable Council Housing	31,888	27,437	15,458	21,300	13,600	109,683
Fees	1,500	1,500	1,500	1,500	1,500	7,500
Mortgage to Rent	280	280	280	280	280	1,400
Total	50,454	47,764	36,470	42,940	37,633	215,261

EAST LoTHIAN COUNCIL
ADMINISTRATION / CROSS PARTY HRA BUDGET PROPOSALS 2026/27 TO 2030/31

	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
HRA Income					
House Rents					
Rent income adjustments relating to rent increases and new council house additions <i>Changes as result of 7% rent increase 26-27 and 5% each subsequent year plus impact of new council housing additions</i>	(3,445)	(3,173)	(2,758)	(3,132)	(2,673)
Garage Rents					
Rent income increased in line with House rents <i>Changes as result of 7% rent increase 26-27 and 5% each subsequent year plus impact of new council housing additions</i>	(55)	(42)	(44)	(46)	(48)
Service Charges					
Income adjustments relating to service charge adjustments <i>Changes as result of 7% rent increase 26-27 and 5% each subsequent year plus impact of new council housing additions</i>	(54)	(41)	(43)	(45)	(47)
Other Income					
Homeless Rents, Renewable Energy Income, Refugee Support-Home Office Funding <i>Consistent income expected across all financial years.</i>	(4)	(4)	(4)	(4)	(4)
Interest					
Interest on accumulated balances <i>No changes expected</i>	-	-	-	-	-
TOTAL INCOME CHANGE	(3,558)	(3,260)	(2,849)	(3,227)	(2,772)
HRA Expenditure					
Staffing					
General Inflation Increase <i>Increase 3.5% for 26/27 and 3% each subsequent year.</i>	156	139	143	143	150
Repairs					
General Inflation Increase <i>Consistent uplift of 5% applied across all years</i>	699	585	607	630	655
Void Rents					
Rent adjustments relating to rent increases and new council house <i>Void costs based on historical rates pre Covid at 1.99% of House Rents</i>	-	69	63	55	62
Garage Void Rents					
Increase in line with forecast voids for 25-26 then increasing at 5% in line with budgeted rent increases	57	19	18	15	17
Bad Debts					
Rent adjustments relating to rent increases and new council house additions <i>Bad debt budgeted at 1% of House rents due to lower actual bad debts in previous years.</i>	-	35	31	28	31
Operating Expenses					
<i>Uplift of 3% across all years.</i>	38	40	40	42	44
Transfer Payments					
<i>Uplift of 3% across all years.</i>	7	7	7	7	7
Internal Recharges					
General Inflation Increase <i>Reflective of actual charges and General Inflation Increases.</i>	109	111	114	119	123
Debt Charges					
Debt Charges <i>Increase reflects borrowing to fund planned capital programme and the impact of changes in interest rates.</i>	1,807	1,482	1,240	1,240	654
TOTAL EXPENDITURE CHANGE	2,873	2,487	2,263	2,279	1,743
TOTAL CHANGE	(685)	(773)	(586)	(948)	(1,029)