

**2b**

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

**SNP PROPOSALS**

This document provides a summary of key recommendations for the SNP 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 1b, noting that this will give rise to an 8% increase to rents, bringing the average weekly rent to £94.46, equivalent to an average weekly increase of £7.00.

#### Appendices

Appendix 1b – HRA Budget Proposals (SNP)

**EAST LOTHIAN COUNCIL**  
**SNP HRA BUDGET PROPOSALS 2026/27 TO 2030/31**

	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>	<b>2029/30 Budget</b>	<b>2030/31 Budget</b>
<b>Rent Increase</b>	<b>8.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>	<b>5.00%</b>
New Homes	119	120	54	118	89
Cumulative New Homes since 22/23	688	808	862	980	1069

<b>BUDGET</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Income</b>					
House Rents	(45,980)	(48,839)	(51,487)	(54,621)	(57,294)
Garage Rents	(841)	(883)	(927)	(973)	(1,022)
Services/Service Charges	(827)	(868)	(911)	(957)	(1,005)
Other Income	(132)	(136)	(140)	(144)	(148)
Interest	(133)	(133)	(133)	(133)	(133)
<b>Total Income</b>	<b>(47,913)</b>	<b>(50,859)</b>	<b>(53,598)</b>	<b>(56,828)</b>	<b>(59,602)</b>
<b>Expenditure</b>					
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	915	972	1,025	1,087
Garage Void Rents	235	254	272	287	304
Bad Debt Provision	421	460	488	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	18,263	19,875	21,109	22,312	22,890
<b>Total Expenditure</b>	<b>44,552</b>	<b>47,181</b>	<b>49,429</b>	<b>51,668</b>	<b>53,335</b>
<b>Management of Balances</b>					
Opening (Surplus) / Deficit	(1,641)	(2,002)	(1,680)	(1,849)	(2,009)
Capital from current revenue	3,000	4,000	4,000	5,000	6,000
(Surplus)/ Deficit for Year	(3,361)	(3,678)	(4,169)	(5,160)	(6,266)
<b>Closing (Surplus) / Deficit</b>	<b>(2,002)</b>	<b>(1,680)</b>	<b>(1,849)</b>	<b>(2,009)</b>	<b>(2,275)</b>

<b>Debt to Income Ratio</b>	<b>38.12%</b>	<b>39.08%</b>	<b>39.38%</b>	<b>39.26%</b>	<b>38.41%</b>
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						<b>5 Year Total</b>
<b>Capital Expenditure</b>						<b>£000</b>
Modernisation/Extensions	16,786	18,547	19,232	19,860	22,253	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
Additional Capital Investment	6,000	-	-	-	-	6,000
<b>Total</b>	<b>56,454</b>	<b>47,764</b>	<b>36,470</b>	<b>42,940</b>	<b>37,633</b>	<b>221,261</b>

EAST LoTHIAN COUNCIL  
SNP HRA BUDGET PROPOSALS 2026/27 TO 2030/31

	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	2030/31 £000
<b>HRA Income</b>					
<b>House Rents</b>					
Rent income adjustments relating to rent increases and new council house additions <i>Changes as result of 8% rent increase 26-27 and 5% each subsequent year plus impact of new council housing additions</i>	(3,871)	(2,860)	(2,648)	(3,134)	(2,672)
<b>Garage Rents</b>					
Rent income increased in line with House rents <i>Changes as result of 8% rent increase 26-27 and 5% each subsequent year plus impact of new council housing additions</i>	(62)	(42)	(44)	(46)	(49)
<b>Service Charges</b>					
Income adjustments relating to service charge adjustments <i>Changes as result of 8% rent increase 26-27 and 5% each subsequent year plus impact of new council housing additions</i>	(61)	(41)	(43)	(46)	(48)
<b>Other Income</b>					
Homeless Rents, Renewable Energy Income, Refugee Support-Home Office Funding <i>Consistent income expected across all financial years.</i>	(4)	(4)	(4)	(4)	(4)
<b>Interest</b>					
Interest on accumulated balances <i>No changes expected</i>	-	-	-	-	-
<b>TOTAL INCOME CHANGE</b>	<b>(3,998)</b>	<b>(2,947)</b>	<b>(2,739)</b>	<b>(3,230)</b>	<b>(2,773)</b>
<b>HRA Expenditure</b>					
<b>Staffing</b>					
General Inflation Increase <i>Increase 3.5% for 26/27 and 3% each subsequent year.</i>	156	139	143	143	150
<b>Repairs</b>					
General Inflation Increase <i>Consistent uplift of 5% applied across all years</i>	699	585	607	630	655
<b>Void Rents</b>					
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>	-	77	57	53	62
<b>Garage Void Rents</b>					
Increase in line with forecast voids for 25-26 then increasing at 5% in line with budgeted rent increases	57	19	18	15	17
<b>Bad Debts</b>					
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>	-	39	28	27	31
<b>Operating Expenses</b>					
<i>Uplift of 3% across all years.</i>	38	40	40	42	44
<b>Transfer Payments</b>					
<i>Uplift of 3% across all years.</i>	7	7	7	7	7
<b>Internal Recharges</b>					
General Inflation Increase <i>Reflective of actual charges and General Inflation Increases.</i>	109	111	114	119	123
<b>Debt Charges</b>					
Debt Charges <i>Increase reflects borrowing to fund planned capital programme and the impact of changes in interest rates.</i>	1,929	1,612	1,233	1,204	578
<b>TOTAL EXPENDITURE CHANGE</b>	<b>2,995</b>	<b>2,629</b>	<b>2,247</b>	<b>2,240</b>	<b>1,667</b>
<b>TOTAL CHANGE</b>	<b>(1,003)</b>	<b>(318)</b>	<b>(491)</b>	<b>(990)</b>	<b>(1,106)</b>