

# **Council rents will be frozen for the second year**

**Edinburgh council tenants are set to have their rent frozen for the second year running in response to the rise in the cost of living.**

The move by Edinburgh City Council's SNP/Labour coalition to keep rates the same in 2022/23 was agreed by members of the Housing, Homelessness and Fair Work Committee on Thursday (January 20).

Moving the motion, convenor Kate Campbell said it was the "right decision", adding it feels "really difficult" to press ahead with a rent increase in April as planned – which would coincide with projected hikes in energy prices and an increase in National Insurance contributions.

Officers explained the freeze would create a deficit of around £75 million over 30 years, however said this could be mitigated by higher future rent increases of either 4 per cent the following year or 2.5 per cent over the next four years.

It comes almost a year after opposition councillors blocked a proposed 2 per cent rent increase for the council's 20,000 tenants and demanded rates went unchanged in 2021/22.

In a consultation with a sample of people renting council-owned properties, the local authority found 63 per cent in favour of a 1.8 per cent rise in the year ahead, whilst 14 per cent backed a 5 per cent increase.

But the coalition motion said the current financial strain on

tenants became “fully apparent” in the course of carrying out the consultation.

Addressing concerns regarding the impact of the continued freeze on the council’s ability to invest in new builds and property repairs, Housing Services Manager Elaine Scott said: “Based on the current assumptions in the business plan in terms of inflation, in terms of cost, in terms of delivery, we are estimating that you could do that in future years in terms of rent increases.

“That’s what we’re estimating at this point in time but we would have to review those and that could be a very different situation next year, we could have a different position with inflation, with cost and all of that would have to be reviewed then.”

Convenor Kate Campbell said: “No one doubts that the money that would come in next year from a 1.8 per cent increase is needed over the ten year business plan, but my understanding is we’ve got slippage in the capital program because of pandemic issues which has caused delays in terms of large capital projects.”

She added she was backing the freeze in response to what she called the “unprecedented” cost of living crisis.

“We heard from the ONS yesterday that inflation is the highest that it’s been for 30 years, wages are not keeping up with inflation, we know that in April – I heard on the news and it’s predictions – but they think energy prices could be as much as 50 per cent higher than what they are today – and we know that people are already struggling with energy costs,” she said.

“We’ve got a National Insurance increase that’s coming in on the 1st of April which will hit people on the lowest incomes disproportionately much harder.

“When we look at the situation for our tenants, and I fully appreciate the risk question, I’m not completely comfortable with risk, but when we look at that it feels really difficult to ask tenants to pay that small amount extra starting in April when we don’t need it next year; we need that money over the ten years, over the 30 years, but we don’t need it next year.”

The council rent freeze will now need approval from the Finance and Resources Committee before going to Full Council next month where member will agree on the yearly budget.

by Donald Turvill, Local Democracy Reporter

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