

East Lothian councillors set to approve rent rise of 6.5%

Council tenants in East Lothian are set to see rent go up by more than £5 a week from April as the local authority bids to balance its budget.

Plans to increase rent by 6.5% for the coming year have seen cross party agreement ahead of next week's full council meeting when the budget will be set.

It comes as elected members are also expected to approve a 10% hike in council tax charges across the county.

The proposals also include an indicative rent rise of 5% annually for the following four years and come after tenants were hit with a 7% increase last year.

A report on the housing rent increase said tenants had been consulted at the end of last year and the budget reflected the results of the survey with the rise supporting plans for an extra £1million investment in modernisation over the next five years as well as plans to deliver an additional 774 new affordable homes by 2029/2030.

However it warns that the current housing strategy is stretching affordability plans 'to the limits' and a review of policy was needed.

The report said: "On average, a new-build house will bring in under £5,000 in rent each year but will cost the Housing Revenues Account (HRA) £10-12,000 each year in debt costs.

“Without additional government funding or a review of the rent strategy this approach will become unsustainable over the medium term.

“In the context of elevated interest rates and increased unit costs to deliver new build affordable housing, alongside lack of certainty in government funding and increasing demands for modernisation, it is considered appropriate to review the longer-term strategy for the HRA, encompassing the business plan and future rent levels.”

The rent rise will be set at a meeting of the council on Tuesday, February 18.

By Marie Sharp Local Democracy Reporter