

The Highland Council
No.1 2025/2026

Minutes of Meeting of the Highland Council held in the Council Chamber, Council Headquarters, Glenurquhart Road, Inverness on Thursday 13 February 2025 at 2pm.

Bill Lobban in the Chair

Present:

Mr M Baird	Mrs B Jarvie (Remote)
Mr A Baldrey (Remote)	Ms L Johnston (Remote)
Mr C Ballance	Mr R Jones
Mr A Baxter	Mr S Kennedy
Dr C Birt	Ms L Kraft
Mr B Boyd (Remote)	Mr B Lobban
Mr R Bremner	Mr D Louden
Mr I Brown (Remote)	Ms M MacCallum (Remote)
Mr J Bruce	Mr W MacKay (Remote)
Mr M Cameron (Remote)	Mr G MacKenzie
Mrs I Campbell (Remote)	Mrs I MacKenzie
Mrs G Campbell-Sinclair	Mr S Mackie
Mr A Christie	Mr R MacKintosh
Mrs M Cockburn (Remote)	Mrs A MacLean
Mr S Coghill (Remote)	Ms K MacLean
Mrs T Collier (Remote)	Mr T MacLennan (Remote)
Ms L Dundas (Remote)	Mr D Macpherson
Mr J Edmondson	Mr D McDonald
Ms S Fanet	Mrs J McEwan
Mr J Finlayson (Remote)	Mr J McGillivray (Remote)
Mr D Fraser	Mr D Millar (Remote)
Mr L Fraser	Mr H Morrison (Remote)
Mr R Gale	Mr C Munro
Mr K Gowans	Mr P Oldham
Mr J Grafton	Mrs M Paterson (Remote)
Mr A Graham	Mr M Reiss (Remote)
Dr M Gregson	Mrs T Robertson
Mr R Gunn (Remote)	Mr K Rosie (Remote)
Mrs J Hendry	Mrs M Ross
Ms M Hutchison (Remote)	Ms M Smith
Mr A Jarvie	Mr R Stewart

In Attendance:

Assistant Chief Executive - Corporate
Assistant Chief Executive – Place
Chief Officer – Legal and Corporate Governance
Chief Officer – Housing and Communities
Mr B Cameron, Strategic Lead - Housing & Building Maintenance
Joint Democratic Services Manager

Apologies for absence were intimated on behalf of Ms S Atkin, Mrs H Crawford, Mr M Green, Mr D Gregg, Ms E Knox, Mr P Logue, Mr A Mackintosh, Ms L Niven, Mrs L Sagers, Mr A Sinclair and Ms K Willis.

1. **Declarations of Interest/Transparency Statement** **Foilseachaidhean Com-pàirt/Aithris Fhollaiseachd**

The Council **NOTED** that there were not any Declarations of Interest or Transparency Statements.

2. **Notices of Amendment** **Brath Atharrachaidh**

There had been circulated an extract of the Minutes of the Meeting of the Housing and Property Committee of 29 January 2025.

With reference to these Minutes, the following Notice of Amendment had been received in accordance with Standing Order 13 –

“We the undersigned, being Elected Members of the Highland Council, hereby seek alteration of the decision of 29 January 2025 by the Housing and Property Committee to increase Council House 2025/26 rents by 8% by deleting expenditure line for Capital Investment Funded from Current Revenue £1.346 million, relating to “additional funding for capital investment in energy efficiency and external fabric from rent increase”, and make corresponding reduction in House Rents Income to £69.717 million. Reducing the rent increase for 25/26 to approximately 6%”.

Signed: Mr A Graham	Mr A Baxter	Mr M Reiss	Mr R Gale
Dr M Gregson	Mr R Stewart	Mr A Christie	Mr M Baird
Mrs A MacLean	Mrs J McEwan	Mr J Edmondson	Mrs L Saggors
Mrs I MacKenzie	Mr J McGillivray	Ms M MacCallum	

In this connection, there had been re-circulated Report No HP/01/25 by the Assistant Chief Executive – Place.

In support of the Notice of Amendment, it was stated this was not the appropriate time to increase rents by 8% and the resultant 20% increase over three years was unacceptable. The proposal would cause hardship for many tenants whose income would not increase by 8% next year. A lower increase would support tenants and not impact on Housing Revenue Account (HRA) service enhancements such as cyclical maintenance, electrical inspections, and level of maintenance in amenity areas. As stated, the cost would be met by deleting £1.346m from the budget for energy efficiency and external fabric, affecting around 130 properties, noting it was unfair for the full cost to be placed on all tenants. It should also be noted the Housing Capital Programme included approximately £17m for such works. In addition, there was an underspend of £1.3m on efficiency works in the current year and £7m in the previous year and therefore there was a clear track record in this regard. In terms of the Council's net zero strategy, the shift to net zero should not be at the expense of social housing tenants.

Thereafter, it was highlighted that given the current operating model, the only significant source of income for the HRA was via rent increases and Council house rents in Highland were amongst the lowest in Scotland and significantly below housing association levels. Rents had been low with minimal increases for many years and this had consequences for the sustainability of the HRA and ability to invest in and improve properties. A key message from tenants was around improving the housing stock through windows and door upgrades and installing insulation and an 8% rent increase would allow energy efficiency improvements to be accelerated all of which would

reduce tenants' energy bills. It was important to note that 70% of tenant responses to the rent consultation indicated support for a rent increase and approximately 61% of Council tenants were in receipt of Housing Benefit or Universal Credit and as such received support with their rents. The Housing and Property's Committee decision to agree an 8% rent increase was therefore measured in terms of the impact on tenants and balanced against the need to create an efficient and sustainable housing estate

Further key comments included the following:

- whilst 48% of responses to the Tenant Participation survey had supported an 8% rise, this was likely because it was the lowest option, with no lower alternative offered;
- tenant representatives had advised that while they understood the rationale for the increase, tenants were not benefiting as 43% of rental income was used to repay loan charges;
- successive governments had failed to deal with the historical burden placed on local authorities due to loan charges and despite previous and ongoing lobbying activity this issue was unlikely to be resolved;
- as the Council had no control over the above, it should therefore review all other areas within the HRA to reduce costs, such as supervision and management costs, noting these were significantly above private sector charges;
- the Council could not hold energy companies to account for their charges as this was a reserved matter handled by the UK Government and lobbying would continue on this issue;
- whilst Council rents may be comparatively low, the Highlands had the highest poverty levels and lowest wages compared to other areas and the wider poverty agenda had to be considered as highlighted by the Joseph Rowantree Foundation and others;
- the impact assessments carried out on the proposed rent increase did not adequately reflect the impacts and the need also for a gender based approach to be taken;
- many tenants, including the working poor and elderly, were already facing financial pressures and a higher increase may push them into crisis in a climate of food inflation, rising consumer price index and energy bills, and lead to increased use of foodbanks and other sources of support;
- the projected underspend on the HRA budget in 2024/25 provided an opportunity to support the worst off in communities by agreeing a lower rent increase whilst maintaining investment in the stock;
- a higher rent increase may impact significantly on any pension aged winter heating payments;
- limiting rent increases was imperative to supporting tenants in rural areas where costs were significantly higher and to address issues of depopulation;
- the proposed rent increase was likely to be exacerbated further by increases in Council tax and water rates;
- the retrofit of Council houses was already delivering significant savings for tenants on their energy bills and it was important this programme continued into the future;
- a lower increase would allow the retrofit programme to continue and highlighting challenges in spending additional rent monies on schemes given issues with contractor availability and the supply chain;

- even with a higher increase, Council rents would continue to be proportionate and represent good value and would enable timescales for repairs to be improved, help tackle void rent loss, support homelessness and ensure homes were fit for purpose;
- rent increases had been limited two years previously to protect tenants in the middle of a fuel and cost of living crisis and it was stated then the position with repairs and maintenance and energy efficiency would have to be recovered;
- a 7.95% rent increase had been agreed for the current financial year with no notice of amendment having been brought forward; and
- the Council's investment in energy efficiency would include works to over 900 houses with the potential to boost this number further, delivering significant benefits for tenants.

Thereafter, Mr A Graham, seconded by Dr M Gregson, **MOVED** the Notice of Amendment as detailed in the papers.

As an **AMENDMENT**, Mrs G Campbell-Sinclair, seconded by Mr R MacKintosh, moved to agree the recommendations agreed at Housing & Property Committee of an 8% rent increase for 2025/26.

On a vote being taken, the **MOTION** received 25 votes and the **AMENDMENT** received 37 votes and the **AMENDMENT** was therefore **CARRIED**, the votes having been cast as follows:-

For the Motion:

Mr M Baird, Mr A Baxter, Mr J Bruce, Mr A Christie, Mr J Edmundson, Mr R Gale, Mr J Grafton, Mr A Graham, Dr M Gregson, Mr S Coghill, Mr R Gunn, Mr A Jarvie, Mrs B Jarvie, Ms M MacCallum, Mrs I MacKenzie, Mr S Mackie, Mrs A MacLean, Mr D Macpherson, Mr D McDonald, Ms J McEwan, Mr J McGillivray, Mr M Reiss, Mrs T Robertson, Ms M Smith, Mr R Stewart.

For the Amendment:

Mr C Ballance, Dr C Birt, Mr B Boyd, Mr R Bremner, Mr I Brown, Mr M Cameron, Mrs I Campbell, Mrs G Campbell-Sinclair, Mrs M Cockburn, Mrs T Collier, Ms L Dundas, Ms S Fanet, Mr J Finlayson, Mr D Fraser, Mr L Fraser, Mr K Gowans, Mrs J Hendry, Ms M Hutchison, Ms L Johnston, Mr R Jones, Mr S Kennedy, Ms L Kraft, Mr B Lobban, Mr D Loudon, Mr G MacKenze, Mr R MacKintosh, Ms K MacLean, Mr W Mackay, Mr T MacLennan, Mr D Millar, Mr H Morrison, Mr C Munro, Mr P Oldham, Mrs M Paterson, Mrs M Reid, Mr K Rosie, Ms M Ross.

Decision

The Council **AGREED** the recommendations agreed at Housing & Property Committee of an 8% rent increase for 2025/26.

3. Membership of Committees etc Ballrachd Chomataidhean msaa

The Council **NOTED** that Mr S Coghill had joined the Highland Alliance and the political make-up of the Council was as follows:-

SNP – 21 / Highland Independent – 16 / Scottish Liberal Democrats – 15 / Highland Alliance – 8 / Scottish Conservative and Unionist – 6 / Scottish Green Party – 4 / Labour – 2 / Alba – 1 / Non-Aligned - 1.

The formula in respect of the number of places on Strategic Committees remained the same, 6/4/4/2/2.

The meeting concluded at 3.10pm.