



Council Offices, Almada Street
Hamilton, ML3 0AA

Tuesday, 13 January 2026

Dear Councillor

Housing and Technical Resources Committee

The Members listed below are requested to attend a special meeting of the above Committee to be held as follows:-

Date: Wednesday, 21 January 2026
Time: 10:00
Venue: Hybrid - Committee Room 1, Council Offices, Almada Street, Hamilton, ML3 0AA

The business to be considered at the meeting is listed overleaf.

Yours sincerely

Paul Manning
Chief Executive

Members

Davie McLachlan (Chair), Margaret Cowie (Depute Chair), Joe Fagan (ex officio), Walter Brogan, Archie Buchanan, Mathew Buchanan, Janine Calikes, Gerry Convery, Margaret Cooper, Andrea Cowan, Maureen Devlin, Colin Dewar, Allan Falconer, Grant Ferguson, Alistair Fulton, Ross Gowland, Geri Gray, Martin Lennon, Richard Lockhart, Julia Marrs, Ian McAllan, Kenny McCreary, Norman Rae, Kirsten Robb, David Shearer, Kirsty Williams

Substitutes

Robert Brown, Monique Equi, Gladys Ferguson-Miller, Elise Frame, Martin Hose, Cal Johnston-Dempsey, Susan Kerr, Eileen Logan, Richard Nelson, Helen Toner, Margaret B Walker, David Watson

BUSINESS

1 Declaration of Interests

Item(s) for Decision

- 2 Housing Revenue and Capital Account Budget 2026/2027** 3 - 10
Joint report dated 22 December 2025 by the Executive Directors (Housing and Technical Resources) and (Finance and Corporate Resources). (Copy attached)
- 3 Acquisition of Affordable Homes at Almada Street, Hamilton** 11 - 14
Report dated 9 January 2026 by the Executive Director (Housing and Technical Resources). (Copy attached)

Urgent Business

- 4 Urgent Business**
Any other items of business which the Chair decides are urgent.

For further information, please contact:-

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Report

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Report to:	Housing and Technical Resources Committee (Special)
Date of Meeting:	21 January 2026
Report by:	Executive Director (Housing and Technical Resources) Executive Director (Finance and Corporate Resources)

Subject:	Housing Revenue and Capital Account Budget 2026/2027
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ outline the revenue estimate proposals for the Housing Revenue Account (HRA) for 2026/2027
- ◆ request approval for the 2026/2027 Housing Capital Programme totalling £90.434 million

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the proposed rent increase of 6.50% to be applied in 2026/2027 to all council houses, Gypsy/Traveller sites, lock-ups and garage sites rents and the revenue estimate proposals for the HRA, as detailed in Appendix 1, be endorsed;
- (2) that the proposed increase in charges applied for the provision of close cleaning and laundry services of 6.50% in 2026/2027, be endorsed;
- (3) that a 15% premium be added to all new build rent charges that are let either on, or after, 1 April 2026 to reflect the increased energy efficiency measures within these properties and to support the continuing new build programme (paragraph 3.6), be endorsed;
- (4) that based on the rent increase of 6.50%, the 2026/2027 Housing Capital Programme of £90.434 million, as detailed in Appendix 2, be endorsed; and
- (5) that the recommendations be referred to Executive Committee for endorsement, then to Council for approval.

3. Proposals for Housing Revenue Account Budget 2026/2027

3.1. The HRA revenue budget for 2026/2027 has been prepared in line with the 30 year HRA Business Plan. The Revenue budget includes a contribution to the capital programme to progress the investment priority to maintain and improve the housing stock to meet national housing quality and energy efficiency standards. The programme also includes projects to increase the supply of Council housing as well as environmental works and legislative compliance programmes to ensure that all safety requirement standards are met.

- 3.2. The movement from the original 2025/2026 revenue budget, is outlined in Appendix 1. The main expenditure movements are:-
- ◆ Supervision and Management Costs – to reflect the additional cost of the 2025/2026 pay award and the pay award for 2026/2027, the planned increase in employers pension contribution reflecting the end of short term benefit over the past two financial years, the increase in property insurance premiums reflecting storm damage, and offset in part by a reduction in the provision for bad debt.
 - ◆ Housing repairs and maintenance – reflecting a prudent allocation for expected costs and demands for these services.
 - ◆ Financing Costs Loan Charges – to reflect the costs associated with the planned capital investment requirements.
 - ◆ Contribution to Capital Programme – this reflects the phasing of expenditure across financial years.
 - ◆ House rents – to reflect the addition of new stock and the proposed rent increase.
 - ◆ Planned Transfer from Reserves – reflects requirement within the 2026/2027 budget for the long term investments included in the 30 year HRA Business Plan.
- 3.3. The 2026/2027 budget proposal also includes a provision of £1.331 million for bad debt. This is a decrease from 2025/2026 reflecting the expected position in 2026/2027 and is required to continue to provide for the potential impact of arrears and non-payment of rent. This includes contingency for the ongoing uncertainty on rental collections in the coming year due to cost-of-living pressures, continued managed migration to Universal Credit, and an allocation of £0.300 million for tenancy sustainment mitigation.
- 3.4. In relation to rent, in previous rounds of budget engagement, tenants have favoured multi-year agreements on the basis that they provided some clarity regarding rent levels over the medium term. This is year 3 of a 3 year multi-year agreement with the rent increase of 6.5% being proposed for 2026/2027. As detailed at paragraph 2.1, in addition to Council houses, this increase also applies to Gypsy/Traveller sites, lock-ups, garage sites, as well as charges for close cleaning within flatted properties where this service is in place .
- 3.5. In February 2016, South Lanarkshire Council approved the application of an additional £10 weekly rental charge to all new build properties let either on or after, 1 April 2016. Since this point in time, the increase has been applied to all South Lanarkshire Council new build house rents regardless of property type and size. In preparing the budget and rent setting proposals for 2026/2027, further consideration has been given to the additional weekly charge, and it is felt appropriate that a revised approach to setting the new build premium should be progressed where the increase applied to new build properties should be varied to reflect the property type and size.
- 3.6. It is recommended that for new properties let to tenants either on or after 1 April 2026, the weekly additional rent charge for new build properties moves to a base rent level plus a 15% premium, rather than a £10 weekly additional charge. Applying a set percentage premium onto the base rent means that the property size and type is being taken into account. The base rent reflects the size and type of property while the premium reflects the new build properties being energy efficient with tenants benefitting from lower fuel bills. The 15% premium on energy efficient new build properties will support the continuing new build programme.

3.7. In essence, the Council will now have 3 different levels of house rent:-

- ◆ base rent level (standard South Lanarkshire rent determined by size and type)
- ◆ base rent level + £10 per week for new builds let on, or after, 1 April 2016 to 31 March 2026
- ◆ base rent level + 15% premium for new builds let on, or after, 1 April 2026

3.8. Table 1 below provides 2 examples of the proposed rents under each of these scenarios above, showing the difference in weekly rent dependent on new build and tenancy start date:

Table 1: Proposed rent levels for New Builds

House Type	Base Rent Level	Rent Level + £10	Base Rent Level +15% premium
1 bed Maisonette	£81.77	£91.77	£94.04
4 bed Detached	£133.70	£143.70	£153.76

3.9. It should be noted that, based on the latest Scottish Social Housing Charter returns, the average rent charges for South Lanarkshire Council tenants are currently the 8th lowest of local authority landlords in Scotland. In addition, South Lanarkshire Council tenants' rent charges are the lowest of all the social landlords operating in South Lanarkshire.

4. Proposal for Housing Revenue Account – Capital Programme 2026/2027

4.1. The 2026/2027 capital programme is compiled in line with the 30 year HRA Business Plan. As well as continuing to plan and undertake the works needed to maintain and improve the housing stock to meet national housing quality and energy efficiency standards, a significant work stream in this year's Housing Investment Programme will be the continuation of our investment to increase the overall supply of Council housing across South Lanarkshire. The full HRA capital programme for 2026/2027 is detailed in Appendix 2.

4.2. Further key investment activities in relation to these priorities include kitchens, heating replacements and insulation, external fabric upgrading, windows and doors replacement, legislative compliance works and other external environmental improvements.

4.3. At this point in time, we do not have the funding allocation for 2026/2027 for the Affordable Housing Supply Programme. In the interim, a programme has been developed based on the grant allocation for 2025/2026. This estimate can be increased or decreased as necessary when grant funding for 2026/2027 is confirmed. Further information will be provided to the Executive Committee once confirmation of the grant is received, including any required amendments to the 2026/2027 capital programme.

4.4. The funding for this programme is detailed in Table 2 below:-

Table 2: Capital Programme Funding

	£ million
Revenue Contribution to 2026/2027 Capital Programme	33.851
Borrowing	31.389
Scottish Government Grant – Additional Council Houses	25.074
Scottish Government Grant – Mortgage to Rent	0.120
Total Capital Programme Funding	90.434

4.5. The grant and borrowing assumptions are based on an anticipated completion of 151 new homes and 60 acquisitions of existing homes during 2026/2027. They will also contribute to the commencement of a further 327 new Council homes that will be completed in later years. Once grant levels for 2026/2027 have been confirmed, any impact on the capital programme will be reported to the Executive Committee.

4.6. Borrowing for the £31.389 million noted in Table 2 includes previously approved borrowing of £5.887 million forecast to be carried forward from 2025/2026. The additional £25.502 million of new borrowing for additional housing supply will result in an increase to the annual Loan Charges of around £1.287 million per annum starting in 2026/2027. These costs are included within the HRA Business Plan.

5. Consultation Arrangements

5.1. The Budget Scrutiny Group (BSG) provides the main vehicle for discussion between the Council and tenant representatives on the housing budgetary process and the financial challenges and opportunities facing Housing Services. Each year, the Council and the BSG work together to develop and co-ordinate the consultation programme on setting Council rent levels for the year ahead.

5.2. This year's consultation programme followed a similar approach to previous years, with the main focus on an on-line survey, open to all Council tenants and widely promoted via the South Lanarkshire View, the Housing news digital newsletter and through the Council's social media channels. In addition, other engagement opportunities were held including, focus group meetings with homelessness service users, engagement with tenants living in sheltered housing developments, Gypsy/Traveller residents and contact with tenants via email and text, seeking views and encouraging completion of the survey. A 'Conversation Café' event, facilitated by the South Lanarkshire Tenant Development Support Project, was also held in the Town House, Hamilton on 9 December 2025, providing the opportunity for tenants to discuss the rent proposal and investment priorities in more detail.

5.3. During the consultation, the BSG and Tenant Participation Co-ordination Group (TPCG) participated in open discussions with senior council officers on key issues and challenges facing the Council, including the ongoing economic uncertainty and impact of the cost-of-living-crisis, increased costs associated with delivering front line services and the Council's commitment to ensuring rents remain affordable.

5.4. A summary of the feedback received from the TPCG/BSG is provided below:-

- ◆ the range of challenges facing the Council in delivering services was recognised
- ◆ it was recognised that the continuing economic uncertainty presents challenges for the Council in relation to delivering investment and new build programmes

- ◆ the group was supportive of the proposed 6.5% rent increase being applied for the third and final year of the 3-year agreement and of the Council's commitment to rents remaining affordable
- ◆ the group were also supportive of the introduction of a 15% premium on new build properties let on, or after 1 April 2026
- ◆ the group welcomed the ongoing range of supports available from the Council to tenants experiencing financial difficulties.

5.5. Feedback received from the engagement that took place with tenants and the on-line survey is set out below:-

- ◆ 1,801 surveys were completed during the consultation
- ◆ there was strong agreement from respondents that the proposed investment priorities are the right ones
- ◆ the BSG and those who took part in focus groups and other engagement opportunities were broadly supportive of a 6.5% rent increase for the third year.
- ◆ 55% of respondents to the on-line survey supported the rent level to be increased by 6.5%, in line with the commitment to the 3-year agreement
- ◆ 57% of respondents were supportive of the proposal to add a 15% premium to new build rent levels, effective from 1 April 2026

6. Employee Implications

6.1. There are no employee implications as a result of this report.

7. Financial Implications

7.1. The financial implications are as detailed in the report.

8. Climate Change, Sustainability and Environmental Implications

8.1. The impact which capital investment will have upon climate change and sustainability is appropriately considered through the Resource's approach to project design, procurement, project management and delivery. Works will be progressed in such a way to support a positive impact on the environment. Details will be captured within the Integrated Impact Assessment (section 10), with appropriate mitigation actions noted where any potential negative impact is identified.

9. Other Implications

9.1. The risks associated with this report are in relation to the Council's ability to collect rents and charges following the increases. These risks have been assessed and added to the Resource Risk Register.

9.2. Social landlords, such as the Council, are required to submit an Annual Assurance Statement to the Scottish Housing Regulator. This provides assurance that the organisation is compliant with the relevant requirements of Chapter 3 of the Regulatory Framework, all relevant standards and outcomes in the Scottish Social Housing Charter and all relevant legislative duties. The content of this report will contribute to the evidence to support this Statement.

10. Integrated Impact Assessment and Consultation Requirements

10.1. An Integrated Impact Assessment (IIA) has been completed for the Housing Revenue and Capital Account Budget 2026/2027 which included assessing potential impact to the proposed rent levels for 2026/2027.

[Link to IIA on SLC website](#)

10.2. In addition, an IIA has also been completed as part of the development of the South Lanarkshire Strategic Housing Investment Plan 2026 to 2031. The IIA identifies that increasing the provision of additional affordable homes (including those built and funded by the Council) will:

- ◆ have a positive or neutral impact in relation to protected characteristics
- ◆ have a positive socio-economic impact
- ◆ have a positive impact on child poverty

In addition, it will have a neutral environmental impact through the increase in the number of homes with increased energy efficiency and zero direct emission heating systems.

10.3. Details of the consultation arrangements are set out in section 5.

Stephen Gibson
Executive Director (Housing and Technical Resources)

Jackie Taylor
Executive Director (Finance and Corporate Resources)

22 December 2025

Link(s) to Council Values/Priorities/Outcomes

- ◆ Good quality, suitable and sustainable places to live
- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Housing and Technical Resources Committee, 22 January 2025, Housing Revenue and Capital Account Budget 2025/2026
- ◆ Housing and Technical Resources Committee, 17 December 2025, Strategic Housing Investment Plan 2026 to 2031

List of Background Papers

- ◆ Revenue Budget Working Papers 2026/2027

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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**SOUTH LANARKSHIRE COUNCIL
HOUSING REVENUE ACCOUNT
REVENUE ESTIMATES YEAR 2026/2027**

2025/2026 Original Budget £ million		2026/2027 Estimate £ million	Movement £ million
	<u>Expenditure</u>		
32.486	Supervision and Management	35.694	3.208
48.022	Housing Repairs and Maintenance	49.344	1.322
2.950	Void Rents	3.130	0.180
15.795	Financing Costs Loan Charges	21.385	5.590
35.633	Contribution to Capital Programme	33.851	(1.782)
0.000	Reserves to C/F	0.000	0.000
134.886	Total Expenditure	143.404	8.518
	<u>Income</u>		
120.174	House Rents	129.093	8.919
2.980	Other Rents	3.100	0.120
7.730	Other Income	7.713	(0.017)
4.002	Use of B/F Reserves	3.498	(0.504)
134.886	Total Income	143.404	8.518

**SOUTH LANARKSHIRE COUNCIL
HOUSING REVENUE ACCOUNT
CAPITAL ESTIMATES YEAR 2026/2027**

Project Title	£ million	£ million
Provision of Council Housing		
Market Purchase Scheme		6.600
Affordable Housing Supply Programme covering:		52.583
<ul style="list-style-type: none"> • Landsdale, Jackton, East Kilbride • Brackenhill Farm, Hamilton • Dale Avenue, Cambuslang • Watson Street, Larkhall • Backmuir Road, Hamilton • Reid Street, Hamilton • Eaglesham View, East Kilbride • Cairnswell Avenue, Cambuslang • Kittoch Street, East Kilbride • Glasgow Road, Strathaven • Calderwood Road, East Kilbride • Priory Avenue, Lesmahagow • Shieldaig Drive, Rutherglen • Westwoodhill, East Kilbride • New Road, Cambuslang • Barrack Street, Hamilton* • Almada Street, Hamilton • Buchanan Avenue, Rutherglen 		
Mortgage To Rent		0.400
Provision of Council Housing Total		59.583
Refurbishment works		
Kitchens		11.467
Heating Replacements – Central Heating Upgrades/ Installations		2.075
External Fabric Upgrading Works – Various Blocks		7.361
Environmental Improvements Works		1.061
Energy Efficiency Works – External Wall Insulation		0.347
Legislative Compliance Works		2.546
Window and Door Replacement Programme		0.943
Miscellaneous Projects:		
Void works	3.900	
Sheltered Housing Schemes Refurbishment Works	0.542	
Area Regeneration	0.050	
Council House Adaptations	0.150	
Alterations including DDA	0.050	
Lead Pipe replacement	0.090	
Demolition	0.270	5.051
Refurbishment Works Total		30.851
Total Capital Programme 2026/2027		90.434

* Not included in the Strategic Housing Investment Plan.

Report

3

Report to:	Housing and Technical Resources Committee (Special)
Date of Meeting:	21 January 2026
Report by:	Executive Director (Housing and Technical Resources)

Subject:	Acquisition of Affordable Homes at Almada Street, Hamilton
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ seek approval from Committee to acquire 36 affordable housing properties that will be constructed by Keepmoat Homes at Almada Street, Hamilton, for inclusion in the Council's housing stock

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) the acquisition of 36 completed affordable homes from Keepmoat Homes for a total price of £8,836,800 (which includes the cost of land and excludes VAT) to fulfil the Planning obligations associated with the residential development of the site be approved; and
- (2) that the Executive Director (Housing and Technical Resources) in conjunction with the Head of Administration and Legal Services be authorised to conclude all matters pertaining to these transactions and enter into all necessary legal agreements on terms which are in the best interests of the Council.

3. Background

- 3.1. The Local Housing Strategy 2022 to 2027 was approved at Executive Committee on 30 November 2022. In doing so, it was noted that the Council and its partners gave a commitment to actively seek opportunities to develop housing across South Lanarkshire to meet housing need and support social and economic regeneration.
- 3.2. On 30 November 2022, the Executive Committee approved a new affordable housing supply target for the Council, aiming to deliver an additional 1,300 homes by 31 March 2027. The proposal was for this to be delivered through a combination of new council homes and the acquisition of existing homes from the market, with the new sites set out within the Strategic Housing Investment Plan which (SHIP). On 27 November 2024, as part of approval of the Strategic Housing Investment Plan 2025 to 2030, the Committee was advised that due to a range of external factors this target was unlikely to be achieved, however efforts and focus was still being given to maximise the number of additional council homes to be delivered by March 2027.
- 3.3. On 17 December 2025, the Strategic Housing Investment Plan 2026 to 2031 was approved by the Housing and Technical Resources Committee. This includes projects with a total potential capacity for delivering up to 2408 affordable homes in

South Lanarkshire over the 5-year period to March 2031 and included reference to new Council homes proposed at Almada Street, Hamilton.

4. Proposal

- 4.1. In April 2025, the Council commenced discussions with Keepmoat Homes to fulfil their planning obligation for new affordable homes through a turnkey arrangement with the Council paying staged payments for each key stage completed for each house. The mix of houses across the sites consists of 2- and 3-bedroom terraced houses, 4 bed semi-detached houses and one- and two-bedroom flats. It is anticipated that these houses will be complete in 2027/2028.
- 4.2. As part of those discussions with Keepmoat Homes, the costing and financial proposals provided by Keepmoat Homes have been assessed by the Council and the funding package presents value for money for the Council.
- 4.3. Therefore, it is proposed to acquire 36 completed houses from Keepmoat Homes, subject to the following principal conditions:-
 - ◆ the Council will pay a land payment prior to works commencing and take ownership of the site
 - ◆ the balance for each unit will then be paid in the following stages – Floor Slab, Wind and Watertight, and Completion
 - ◆ the Council will receive a third-party warranty covering defects and structure for a period of no less than 10 years
 - ◆ each party will be responsible for their own legal fees

5. Employee Implications

- 5.1. There are no employee implications.

6. Financial Implications

- 6.1. Acquisition of the properties will be funded from the Housing Revenue Account, Capital Programme and will be eligible for Scottish Government Affordable Housing Supply grant funding.
- 6.2. The funding for this development is included in the Capital Programme for 2026/2027, which is subject to a separate approval in the Housing Revenue and Capital Account Budget 2026/2027 being reported to this committee.
- 6.3. The proposed purchase price for each unit type compares favourably with the asking prices of the same house types within the development and prices of similar new properties on the open market.

7. Climate Change, Sustainability and Environmental Implications

- 7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained within the report. All homes will be built to Housing for Varying Needs standards and Silver aspect 2 level for energy standards.

8. Other Implications

- 8.1. Should the acquisition of the right of access and construction of the 36 homes from Keepmoat Homes not progress, there may be implications to the Council's ability to meet increasing housing need in the Hamilton area.

9. Integrated Impact Assessment and Consultation Requirements

- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 9.2. There was no requirement to undertake any consultation in terms of the information contained in this report.

Stephen Gibson

Executive Director (Housing and Technical Resources)

9 January 2026

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent
- ◆ Good quality, suitable and sustainable places to live

Previous References

- ◆ None

List of Background Papers

- ◆ Local Housing Strategy 2022 to 2027 – Executive Committee, 30 November 2022
- ◆ Housing Supply Target – Executive Committee, 30 November 2022
- ◆ Strategic Housing Investment Programme 2024 to 2029 – Housing and Technical Resources Committee, 8 November 2023

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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