

## **EXECUTIVE NOTE**

### **DRAFT : The Housing Support Grant (Scotland) Order 2007**

1. The above instrument has been drafted in exercise of the powers conferred by sections 191 and 192 of the Housing (Scotland) Act 1987(a). The instrument is subject to affirmative resolution procedure.

#### **Policy Objectives and Background**

2. This instrument sets the amount of Housing Support Grant (HSG) payable to local authorities in 2007-08.
3. HSG is a subsidy paid to those councils, which on the basis of reasonable assumptions, would otherwise be unable to balance their housing revenue accounts. Over the years policy has been to reduce HSG, which is a general subsidy, in favour housing benefit which is targeted to individual tenants.
4. As a result in recent years only the 2 councils with the very highest loan charge expenditure, Comhairle nan Eilean Siar and Shetland have qualified for grant. Following the recent housing stock transfer in Eilean Siar, in 2007-08 only Shetland Islands Council will be in receipt of HSG. All other councils are able to secure sufficient income from rents to balance their housing revenue accounts.

#### **Consultation**

5. CoSLA has been informed of the HSG entitlement. As has been the case in recent years CoSLA has not commented on the proposals.

#### **Financial Effects**

6. HSG remains a substantial proportion of Housing Revenue Account income in Shetland. Without this subsidy the Council would be required to increase its council house rents substantially.

**Scottish Executive Development Department  
February 2007**