

EXECUTIVE NOTE TO

DRAFT SSI: THE HOUSING SUPPORT GRANT (SCOTLAND) ORDER 2008 No.2008/

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

Policy Objectives and Background

2. This Order sets the amount of Housing Support Grant (HSG) payable to local authorities in 2008-09.
3. HSG is a subsidy paid to councils, which on the basis of reasonable assumptions, would otherwise be unable to balance their housing revenue accounts. Over the years, the policy has been to reduce HSG, which is a general subsidy, in favour housing benefit which is targeted to individual tenants.
4. Since 2006 only Shetland Islands Council has qualified for HSG. All other councils which have retained their housing stock 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 due to the council's high loan charges. Without this subsidy the Council would be required to increase its council house rents substantially.

**Scottish Government
February 2008**