Petition PE1496: Bedroom Tax Mitigation – Chartered Institute of Housing

This petition ‘calls on the Scottish Parliament to urge the Scottish Government to make approximately £50 million available to mitigate all effects of the bedroom tax in Scotland’.

CIH Scotland would first reiterate its opposition to the bedroom tax, which is a grossly unfair measure imposed retrospectively on tenants who could never have expected to be penalised in this way when they originally took up their tenancy.

In the sense that it seeks to protect both tenants and social landlords from the impact of the bedroom tax, the petition is well intended. At this stage, however, CIH Scotland is not in a position to come to a clear view on the petition. Taken alongside the Public Petitions Committee session featuring the petitioner Alan Wyllie on 26 November, there does seem to be much uncertainty about exactly what is being called for here. It would be helpful to get a clearer picture on this before housing bodies and indeed the Scottish Parliament and Scottish Government can come to an informed view.

There are a number of areas of uncertainty around how much further funding is being called for:

- The petition calls for around £50m to be made available, but this presumably means £50m on an annual basis, starting this year 2013/14 and then for as long as the bedroom tax exists
- In responding to questions from the Petitions Committee, the petitioner seemed to accept that the actual sum being called for was rather less than £50m because of the support already being made available from both the DWP and Scottish Government
- At one point it was suggested by a Committee member that with around £13.5m in Discretionary Housing Payments from the UK Government, and £20m from the Scottish Government, the amount actually being sought was around £16m-£17m. Mr Wyllie appeared to concur, so this perhaps clarifies that the petitioner is seeking £50m minus whatever has been spent on bedroom tax mitigation through DHPs
- However, it is wrong to assume that this is £50m minus the £33.5m, as this assumes that the £33.5m DHP funding in question has been ring fenced for the bedroom tax. The DWP funding is not ring fenced for any specific welfare change. The Scottish Government’s £20m came with a steer that it was predominantly for the bedroom tax but it was not ring fenced as such. The picture is even more complex bearing in mind that some councils had already topped up their DHP allocation to the maximum and so were not obliged to use the money for DHPs at all, let alone for bedroom tax mitigation
- If the petitioner is indeed calling for the Scottish Government to make up the difference between £50m and the total amount spent on DHPs for bedroom tax, the implication is that those tenants who have paid their bedroom tax without DHP assistance would be reimbursed. Clearly this raises a number of practical considerations.
There has also been confusion over whether the Scottish Government has the powers to make further funding available. CIH Scotland’s reading of the position is that the Scottish Government can go no further specifically in relation to topping up Discretionary Housing Payment funding to local authorities. However, there is a separate question over whether the Scottish Government could legislate to give itself powers to – for example – provide grant to social landlords for the purposes of welfare reform mitigation. Whilst it is not clear whether these powers currently exist, the creation of such powers would presumably be within the gift of the Scottish Government, which already has powers to give grant to social landlords for a range of specified purposes.

We hope we have demonstrated that there is considerable uncertainty around what the petition is calling for. Once the position is made clearer, CIH Scotland will be happy to consider whether providing additional funding in respect of the bedroom tax is a proportionate and practical step to take.

CIH Scotland
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