



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

WELFARE REFORM COMMITTEE

Tuesday 12 November 2013

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WELFARE REFORM COMMITTEE
18th Meeting 2013, Session 4

CONVENER

*Michael McMahon (Uddingston and Bellshill) (Lab)

DEPUTY CONVENER

*Jamie Hepburn (Cumbernauld and Kilsyth) (SNP)

COMMITTEE MEMBERS

*Annabelle Ewing (Mid Scotland and Fife) (SNP)

*Linda Fabiani (East Kilbride) (SNP)

*Alex Johnstone (North East Scotland) (Con)

*Ken Macintosh (Eastwood) (Lab)

*Kevin Stewart (Aberdeen Central) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Jackie Baillie (Dumbarton) (Lab)

David Bookbinder (Chartered Institute of Housing)

Jenny Brough (Scottish Government)

Garry Burns (Govan Law Centre)

Mike Dailly (Govan Law Centre)

Jim Hayton (Association of Local Authority Chief Housing Officers)

Councillor Harry McGuigan (Convention of Scottish Local Authorities)

David Ogilvie (Scottish Federation of Housing Associations)

Alistair Sharp (Govan Law Centre)

CLERK TO THE COMMITTEE

Simon Watkins

LOCATION

Committee Room 5

Scottish Parliament

Welfare Reform Committee

Tuesday 12 November 2013

[The Deputy Convener *opened the meeting at 10:04*]

Decision on Taking Business in Private

The Deputy Convener (Jamie Hepburn): Good morning everyone, and welcome to the 18th meeting in 2013 of the Welfare Reform Committee. The convener is running a bit late, so I thought that as it is coming up to five past 10 we should kick off.

I remind everyone to make sure that their mobile phones and other electronic devices are switched off.

Item 1 is to take a decision on whether to take in private item 5, which is consideration of the committee's work programme. Are members agreed?

Members *indicated agreement.*

Petition

Evictions Due to Underoccupation Deductions (PE1468)

10:05

The Deputy Convener: The next item of business is to welcome the convener, who has arrived. [*Laughter.*]

The second item of business is to take evidence on petition PE1468, on evictions due to underoccupation deductions. We have two panels of witnesses this morning, both of which will run to strict time limits. Each panel will be given a maximum of five minutes to make an opening statement, and there will be 25 minutes for questions from members.

On the first panel of witnesses are Mike Dailly, principal solicitor, Garry Burns, prevention of homelessness caseworker, and Alistair Sharp, prevention of homelessness manager and senior co-ordinator, all from the Govan Law Centre. I invite the panel to make a short opening statement that lasts a maximum of five minutes.

Mike Dailly (Govan Law Centre): Thank you, deputy convener. I start off by thanking the Welfare Reform Committee for giving my colleagues and I the opportunity to speak on behalf of Govan Law Centre's "no evictions for bedroom tax" petition.

The petition has been a key part of a much wider campaign that we have undertaken to protect tenants in Scotland from the bedroom tax. For example, earlier this year, we produced a free toolkit to empower tenants by explaining how they might be able to appeal bedroom tax decisions to the first-tier tribunal. Our toolkit has been downloaded by many thousands of people in Scotland, and across England and Wales.

My colleagues have also given many free talks up and down Scotland to community groups and conferences to ensure that tenants and campaigners have the most up-to-date practical advice that is available to them. Last month, we secured for a severely disabled lady in Glasgow the first victory in the United Kingdom, using the Human Rights Act 1998 and the European convention on human rights law on unlawful discrimination. That successful judgment has since been appealed by the Department for Work and Pensions to the upper tribunal. We also have a number of other on-going cases. All those things are incredibly important, from our point of view.

As the committee will know, in September, we assisted Jackie Baillie with the launch of the consultation for her proposed protection from

eviction bill, which would, in a nutshell, effectively implement the aims of the petition.

So why have we lodged the petition? I believe that there is general consensus in Scotland that the bedroom tax is a flawed and broken policy that is bereft of any redeeming qualities. I say that with as much sincerity as I possibly can. It represents a social apartheid that is reminiscent of the Victorian era in that those who have disabilities and little money are no longer entitled to their homes. They are expected to relocate to a fantasy world of one-bedroom, shoe-box sized flats that we all know do not exist in Scotland. Those properties are not available here so the policy is unworkable.

We start from the principle that the policy needs to be scrapped, then we ask about what needs to happen in the meantime. I have a typical example and I will go through it very quickly. Mr and Mrs Reid accrue £50 a month of rent arrears for a second bedroom that Mr Reid needs to use because of ill health. They are told that they do not qualify for discretionary housing payment because of their disability benefits. If we fast-forward to April next year, they will then be £600 in rent arrears. If their landlord evicts them, it will cost the landlord an average of £6,000. If they lose their house, the cost to the council and the national health service will be, on average, £24,000. Here is the absolute lunacy of the situation: they will be entitled to get a new Scottish secured tenancy by applying as homeless to the council. They are highly unlikely to be deemed as intentionally homeless if they cannot move to a smaller property. I am presenting the reality of the situation. We believe that there is a powerful economic case for not evicting tenants solely for the bedroom tax. That is what the petition seeks.

It is the equivalent of a surgeon using keyhole surgery to protect the wellbeing of a patient. If you agree that it is wrong to evict Scottish tenants because of the bedroom tax—I think that we have a consensus on that—then the solution must be to give them statutory protection so that the principle of protection can apply to not just council tenants but housing association tenants, and can have real teeth the length and breadth of Scotland.

The Convener (Michael McMahon): Thank you very much, Mike. I apologise to you, to committee colleagues and to members of the public present for my late arrival. I set off 15 minutes earlier than normal, but ended up arriving five minutes later because of traffic.

I remind committee colleagues that we have a very tight timescale, so I ask them to keep questions succinct. There should be no speeches—just questions to the petitioners.

I will kick off the questions to Mr Dailly. In her written response on the petition to the Public

Petitions Committee, the Minister for Housing and Welfare, Margaret Burgess, was concerned that

“singling out the bedroom tax”

would be an issue. She said that an example of other issues that should be taken into consideration is

“a tenant in financial difficulty as a result of changes to other welfare benefits, such as Disability Living Allowance”.

However, do you agree, Mr Dailly, that the Scottish Government itself has singled out the bedroom tax by its promises to prevent evictions in local authorities that are run by Scottish National Party administrations?

Mike Dailly: The easiest way to look at this is simply to follow what our judges have said. You might remember the English Court of Appeal cases of *Burnip*, and *Trengove and Gorry*, which were successful cases involving severely disabled children who the Court of Appeal said were entitled, under human rights legislation, to occupy their own bedroom in a tenancy property. The Court of Appeal said that the argument that disability benefits could be used to supplement any shortfall in rent was wrong in law and principle because disability benefits are for subsistence.

Benefits were originally based on the idea of what a basket of goods would cost after the second world war. Sadly, however, the basket of goods is now a wee bit on the empty side in terms of benefits' being uprated. Benefits are for subsistence, however. There is only one benefit for a person's house, which is housing benefit, so with regard to talk about the bedroom tax being singled out, that is not the case because the situation is that housing benefit has been reduced and, as I said, it is the only benefit that pays for the rent and for the roof over your head. So, a false premise underlies the view we cannot do anything about the bedroom tax, without considering all the other cuts to disability benefits. That is absolutely a red herring.

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): In your letter to the Public Petitions Committee, you said that there are

“almost 14,000 evictions court actions raised in Scotland each year”.

However, does not that tell only part of the story? The Scottish Federation of Housing Associations' written response to the Public Petitions Committee on the petition stated that only

“0.25% ... of all tenancies in 2011/12”

ended in eviction. In addition, between 2007-08 and last year, the number of evictions by councils fell by more than half; indeed, the number of housing association evictions also fell in that period. The point about there being “14,000

evictions court actions" a year does not tell the full story, does it?

Mike Dailly: What it tells you is that that is the number of eviction cases that are raised in Scotland. In fact, there are more notices of proceedings—I think that there are about 60,000. However, 14,000 is the figure of eviction cases that are raised in court. We need to bear it in mind that it is the great benefit of law centres, citizens advice bureaux and money advice agencies that we are very successful in preventing people from being evicted. The Scottish Government and various public bodies put a lot of money into the advice sector, and we are successful.

However, it is a human misery when people are taken to court. My colleagues work at the front line in helping people who are homeless, so perhaps they can come in here.

Alistair Sharp (Govan Law Centre): Last year, the Government and housing regulator figures showed that there were 1,600 evictions related to rent arrears, of which 950 were local authority tenants and 688 were housing association tenants. I know that it is said that eviction is the last resort—we all hope that it would be—but tomorrow's court roll for Glasgow includes 104 eviction cases for rent arrears, so it is, rather than a last resort, a normal occurrence. We see people being taken to court day in, day out.

10:15

Garry Burns (Govan Law Centre): The figures do not tell exactly how many people have exited their tenancies before a decree was granted. In many cases, when eviction proceedings start people leave the property and may then stay with friends or find a property in the private rented sector. The sheriff courts may have given the exact figure for evictions, but that does not tell how many people have left because of the threat or process of eviction.

Alistair Sharp: In Glasgow, 50 cases are probably going to court a month as a result of section 11 notifications. Eviction cases are very much a normal occurrence.

Jamie Hepburn: I have no doubt that the work of Mr Dailly's organisation and others plays a huge role in ensuring that there are fewer evictions now than there were in the past. Mr Sharp said that it is hoped that eviction is the last resort. However, the matter is set out in law, and the changes that have been made to the Housing (Scotland) Action 2010 by the Scottish Government surely play a role here; we have strong protection against eviction in Scotland. Is it not much stronger here than it is in the rest of the United Kingdom?

Mike Dailly: I would not say that that is the case. The Scottish Government has done a lot of good things, including the introduction of pre-action requirements. However, there is a huge flaw and weakness in them, too, because they engage only before the notice of proceedings is served, which is at the start of a matter, way before people are taken to court. The problem is that, because of how pre-action requirements are drafted in law, many of the requirements on social landlords bite and engage only if the tenant responds. In real life, people have all sorts of crises going on, so when it comes to getting into rent arrears when they have problems with the kids or in their personal life or are losing their job, they often do not engage with their social landlord until someone is tapping on the door, at which time you are basically looking at court action.

The pre-action requirements are a good thing, but they need to be updated; first, because they do not take into consideration the bedroom tax or the forthcoming universal credit, and secondly—we have encouraged the Scottish Government to consider this—they should be extended beyond the period of the notice of proceedings for recovery, which would mean that social landlords would have to engage more with tenants after that time.

I accept, however, that a lot of good preventative work is going on.

Jamie Hepburn: Mr Dailly mentioned the forthcoming universal credit. Is not it the case that, once that is introduced, it will be much harder to extrapolate any reductions in housing benefit because that will be wrapped into a single payment? Will not that make it much harder for the proposal in your petition to work in practice?

Mike Dailly: Yes. I will deal with the universal credit, and will then pass to my colleague, Garry Burns.

It is important that we appreciate what is happening at the moment. If we read the newspapers and all about the problems that are related to the universal credit system, including with information technology, we see that the chances of its being introduced in the near future, or ever, are highly unlikely. I know that Iain Duncan Smith is blaming various people for that, but universal credit has not been properly thought through.

We have suggested that, should universal credit come in in a few years, a bill could solve the problem by placing on the tenant an onus of proof, such that they would have to demonstrate to the court what the breakdown is between the bedroom tax arrears and other arrears. A precedent for that exists, which the Scottish Parliament introduced through the Homelessness etc (Scotland) Act

2003, which amended section 18 of the Housing (Scotland) Act 1988. The Scottish Parliament rightly took the view that it was unfair for people in the private rented sector to be evicted because of delays in housing benefit, which sometimes took months to be provided. The law was changed so that tenants from that sector can come to court to explain to the sheriff and establish as a fact that there has been a housing benefit delay, so that they would not then be evicted on a mandatory ground. We are suggesting something similar. As I said at the outset, the reality is that it is easy to work out what bedroom tax arrears are.

Garry Burns: Universal credit has still to be rolled out; it is being introduced in Inverness on 21 November, so we will see what happens then. However, as it stands, people who make a housing benefit claim get an award letter that is addressed to them and which tells them what they will get. That letter now tells claimants very plainly how much has been taken off their housing benefit as a result of the underoccupation reduction—the so-called bedroom tax—so the claim that people cannot work out the bedroom tax element of their housing arrears is simply not true. I have an award letter with me—the name of the person in question has been redacted—which clearly shows an underoccupation reduction of £8.35 a week. It is very simple to work out the bedroom tax element of arrears because it is in the letter of award.

Universal credit will not change that situation. People will get the same award letter; the difference will be that because universal credit puts all benefits together, people will get all their money in one lump sum. However, claimants will also get several different award letters depending on the benefits that they are on, so the ease with which it will be possible to work out those things out will not change.

Alistair Sharp: The housing associations are working things out as well. When we get referrals, we get forms that set out the amount of bedroom tax people have to pay, how much they are in arrears and how much they owe each month.

Ken Macintosh (Eastwood) (Lab): I want to clarify a couple of things. According to your evidence, there have been 14,000 attempts to move eviction court actions in Scotland. Is that right?

Mike Dailly: That is the number of new actions that were raised last year; the figure was contained in a Shelter Scotland report. However, you also have to bear in mind the way in which eviction actions work in Scotland. Often, people pay only £3.75 towards their arrears, so those cases get sisted or put to sleep and can sit around in sheriff courts for 10 or 15 years. The 14,000 figure is for the number of new cases; there are

also thousands of sisted or continued cases floating around.

Ken Macintosh: The point of the proposed legislation would be to stop that number increasing because of the bedroom tax.

Mike Dailly: Absolutely. We have always taken the view that the proposal is not a long-term solution or panacea; the only long-term solution or panacea is to get rid of the bedroom tax, which is something that I think that all of us—or almost all of us—agree on. We are simply asking what we are going to do in the next one, two or three years, because the fact is that things are going to collapse in this country. The country has a housing crisis. We are on the side of social landlords and work incredibly closely with them—indeed, there are members of the law centre's management committee in the audience who are actually chairs of housing associations—but we are saying that it makes no economic sense to evict someone because of the bedroom tax over the next one, two or three years.

Ken Macintosh: Just to clarify, you are not proposing any blanket exemption.

Mike Dailly: No. If a tenant did not in general pay their rent, they would be subject to the full force of the law and ultimately eviction. As I think I said at the outset, in recognising that there is no easy solution to the situation apart from scrapping the bedroom tax, we have tried to think about what we need to do to keep everything afloat in the meantime and ensure that social landlords do not become insolvent and that tenants and their families do not go through the human misery of the threat of eviction. Those who remember the poindings and warrant sales situation that the Parliament did a lot to rectify back in 2001 will recall that it was not the warrant sales but the poindings that caused people grief. In 1999, there were 23,000 poindings and 415 warrant sales, but it was the threat of those things that terrified people. We are now seeing elderly people and young people who have never been in arrears before, and they are terrified of the bedroom tax.

Ken Macintosh: We cannot pre-empt the evidence that we will hear from others shortly but one of the main arguments against the measure is that it will be difficult to distinguish between the arrears caused by other reasons and the arrears caused by the bedroom tax. How do you respond to that?

Mike Dailly: My colleague Garry Burns has already answered that, and we can give the committee the letters that we have mentioned. As we have said, universal credit is not coming to this country any time soon.

The current position is that the letter from the local authority specifies the precise figure for the

bedroom tax. One does not have to be a rocket scientist to know how much it is. If someone has one bedroom—we do not use the term “spare room”; we call it a bedroom—that has been deemed extra, there is a 14 per cent deduction, and if they have two there is a 25 per cent deduction. As I said, there is no difficulty in determining what is bedroom tax and what is not. We can provide documents to the committee to establish that.

Garry Burns: People who are on benefits are quite capable of making the calculation themselves. A lot of people are saying, “What if they don’t know how to work it out?”, but that is disrespectful to people who are on benefits. They can and will be able to work these things out. Their home matters to them, and if they get the underoccupation penalty, they know and understand exactly how much is being deducted. They can work it out for themselves; if they cannot, it is for agencies such as Govan Law Centre and Citizens Advice Scotland to support them.

Ken Macintosh: What is the difference between local authorities pursuing a no-evictions policy and the proposed bill?

Mike Dailly: If you are asking us whether, if we have nothing else, the local authorities’ policy is a good thing, we would say that it absolutely is. Of course it is; it is progressive. You will remember that the first local authority in Scotland to have the policy was Dundee City Council, and the convener of that council at the time paid great tribute to Govan Law Centre for developing the policy.

What local authorities are doing with the policy is good in principle, but the difficulty is that we are seeing in newspaper reports week in, week out that local authorities that have the policy are still threatening and progressing eviction. If you are serious in promising people that they will not be evicted, it would be normal to take the matter to the Parliament and pass a law.

Ken Macintosh: Can I pose the question the other way round?

The Convener: We are running out of time, so please make this your last question.

Ken Macintosh: The Scottish Government opposes your proposal but supports local authorities’ no-evictions policy. I cannot work out the logic behind that.

Mike Dailly: It is difficult to work out the logic. We started this morning with the principle that there is a consensus in Scotland that, where people cannot downsize, they should not be evicted and made homeless solely because of the bedroom tax, as opposed to non-payment of their rent. I think that we all agree an eviction because

of the bedroom tax would be shocking and wrong. The Scottish Government agrees with that. I think that it supports the principle that underpins the proposed bill. It has put £22 million into discretionary housing payments, which suggests that it does not want to see people being evicted because of the bedroom tax.

All that we are saying is, if we are all on the same page about that, why do we not just go the extra millimetre and have the policy enshrined in legislation? As I have said, we are not saying that the proposal is the be-all and end-all. I have made the economic argument that, once we start looking ahead five or 10 years, it is clear that the situation will break down. Regardless of the proposed legislation, it is going to break down, as we are going to have a crisis anyway.

Annabelle Ewing (Mid Scotland and Fife) (SNP): Good morning, gentlemen. Thank you for coming in. I have two quick—I hope—questions. First, in Mr Dailly’s letter of 17 June 2013 to the assistant clerk to the Public Petitions Committee, he refers to “pro-tenant housing charities”. That phrase leapt off the page at me. Will you clarify what you meant? I presume that you are not implying that there are anti-tenant housing charities—or maybe you are implying that; I do not know. Some clarification would be really helpful.

Mike Dailly: I am certainly not aware of any anti-tenant charities. We were trying to convey that it is really important to hear charities that are not the usual suspects. If we are absolutely candid about it, there is a tendency in the Scottish Parliament for big organisations to be asked to give evidence. We understand why that is the case, but it is really important to hear the voices of other charities from time to time.

With the help of the Big Lottery Fund in Scotland, we have just launched a brand new set of projects called city rights hubs. We take legal and welfare rights and social care services out to street homeless folk in Glasgow. Perhaps Garry Burns can talk about that. We are working with charities that do street homelessness work, and we do not think that their voices are often heard.

10:30

Garry Burns: Mike Dailly is referencing three organisations in Glasgow city centre, which we would call day centres. They are used by homeless people and people in extreme poverty. Such organisations have views on housing and homelessness, but I have very seldom heard of their views being heard. It tends to be major charities that make statements on homelessness and housing, but the charities that I am talking about—Glasgow City Mission, the Lodging House Mission and the Marie Trust; I urge members to

have a wee look at their websites—work face to face with people who are in the very worst poverty in Glasgow, and their views are very often excluded from discussions such as this one.

Annabelle Ewing: I seek clarification of a point that Mr Dailly made. If I understood correctly what he said about his suggested approach to the petition, the solution would be a short to medium-term one of one, two or three years, but what about what happens next? If a Tory-led Government is elected in the Westminster elections in 2015, there is nothing to suggest that it would seek to scrap the policy. A Tory-led Government introduced the policy, and it has not, sadly, indicated any U-turn—perhaps Mr Johnstone could clarify that for us. What would be your plan B? Obviously, the Scottish Government is clear about what it seeks: it seeks the powers for the Scottish Parliament to be able to scrap the bedroom tax in total. How do you see your proposal in those circumstances?

Mike Dailly: Such things are always very difficult. There is a debate at Westminster today on a call for the bedroom tax to be scrapped immediately, and there is a consensus. I think that the SNP and Labour are on the same page on that, although we do not know whether there will be any change from the Liberal Democrats.

I take Annabelle Ewing's point. We are suggesting a short to medium-term solution, but she asked about what would happen in the two scenarios that she described: the yes vote not being successful in the Scottish referendum; and another Conservative-Lib Dem coalition Government being elected in the general election in 2015 with, let us say, no change in its bedroom tax policy. What would we do in Scotland? That is a fairly grim set of circumstances in relation to the bedroom tax. We believe that, as a policy, the bedroom tax is like the walking dead. We do not believe that it will survive—we think that it is crumbling every day—so we are optimistic.

On Annabelle Ewing's point about what we could do if it all goes pear shaped, there is a Scottish Government underspend. I think that last year's underspend was around £170 million. We are very supportive of what the Scottish Government has done by putting £22 million into DHP.

The Chartered Institute of Housing will give evidence shortly. I was quite alarmed to read in its written evidence a reference—I am trying to find it—to the fact that the Scottish Government could not do anything more than put £22 million into DHP. I think that that is at the bottom of the first page of its most recent submission. The reality is that it is absolutely correct to say that the Scottish Government cannot put in any more than 150 per cent—[*Interruption.*] I am failing miserably to find

the reference—I give up. [*Interruption.*] Ken Macintosh has just given me the paper—thanks very much.

Linda Fabiani (East Kilbride) (SNP): That was helpful.

Mike Dailly: I kept talking, though.

I refer to the bottom of the first page of the Chartered Institute of Housing's recent submission for the meeting. I will read it out to be absolutely accurate and fair. The submission says:

"It may be that the petition and related Private Members Bill are partly being used as a political lever"—

heaven forbid that the Scottish Parliament should get involved in using politics—

"with which to continue pressing the Scottish Government to find a full £50m year on year to pay the entire cost of the bedroom tax in Scotland, notwithstanding that it does not have the powers to do this."

My point is this: yes, the Scottish Government cannot put any more into DHP, because that is set out in law, but the Scottish Government gives social landlords money every week, so what is to stop it giving social landlords additional money or setting up a prevention of homelessness fund? Where there is a will, there is a way. In the worst-case scenario, we would recommend that the shortfall in the £52 million is found.

Linda Fabiani: I want to go back to the petition, because there are a couple of things on which I would like more explanation. The petition says that rent arrears would be

"pursued as an ordinary debt."

I presume that it would be the housing association or council that is owed the money that would pursue the debt. The tenant would still be in arrears with a debt to be pursued.

Mike Dailly: The petition and the proposed bill come at the issue of debt from a legally neutral position, in the sense that all that we are interested in is the idea that the bedroom tax bit can tip the balance and basically put people under. Most eviction actions in Scotland proceed by what is called a variable summons. A social landlord would raise an action seeking a decree for ejection as a crave and a payment decree. Somebody with £1,500 of arrears would be taken to court by the social landlord and the landlord would look for a decree to eject them and a decree for payment of £1,500. Whether they would get the £1,500 if they evicted them is another issue. None of that would change under the proposed bill. Say for example a tenant has had their case sisted in court and is paying arrears direct of £3.75 a week. They have been struggling to keep things on an even keel, but that payment has been fine and everybody has been happy with it—to be fair, social landlords will take tiny sums of money off

people because they know that there is nothing else they can do about it. Then the bedroom tax comes along and takes £14 off the tenant in a week. Their £3.75 goes out the window and basically their arrears go up and up and up. Our big concern is that in such situations people are able to be evicted. If the proposed bill became law, the tenant would still be paying the £3.75 in arrears and everything would be fine, but the bedroom tax element of the arrears would not mean that they could be evicted. We think that we are on the same page as the Scottish Government on that in principle.

Linda Fabiani: I am sorry to interrupt you, but I am aware that we are short of time. I get all that. At the end of the day the tenant still has a debt for arrears for the bedroom tax. What I am trying to get to is, who pursues that debt? That is really important.

Mike Dailly: You are absolutely right, and that will happen whether the proposal is implemented or not. Nothing is changing there. Who would ultimately have to try to get the money back? The social landlord would have to do it. If you are asking what is the best way to resolve the problem, the answer is obviously for the Scottish Government to meet the £52 million.

Linda Fabiani: This is what I am finding it really difficult to get my head round. There is a legal argument going on as to whether under the terms of the Scotland Act 1998 the Scottish Government could meet that debt. So, the tenant would then owe the Scottish Government money.

Mike Dailly: No. There are all sorts of different ways that it could be done. Housing law is devolved to this Parliament. If this Parliament wants to write off elements of arrears for particularly good social policy reasons, that is within its gift.

Linda Fabiani: So you are talking about writing off the ordinary debt.

Mike Dailly: I am not talking about writing off the ordinary debt. What we are saying with this petition is, "We have a housing crisis in Scotland. If we all just sit back and wait for three years"—

Linda Fabiani: Mike, I am sorry to interrupt but I get all that. We are on the same page when it comes to the bedroom tax. I am trying to get at the reality of how your proposals would affect a housing association and the other tenants within the housing association, for example. The regulator could also take the view that the housing association is not pursuing its debts.

Mike Dailly: Perhaps there is a better way for me to convey the point. A lot has been said about our proposal encouraging people not to pay their rent, but it could be argued that putting £22 million

into DHP does that because people might think that the DHP will pay their rent. We are seeing people taking out payday loans to make up the shortfall—

Linda Fabiani: I know. I see them as well. They come into my surgery every day. I am looking for straightforward answers about who pursues the ordinary debt that the person is left with, what is the position of the housing association, and how the regulator will feel about that.

Mike Dailly: Social landlords pursue debts all the time. When they evict someone, they have to pursue the decree that they got for the rent arrears. Ultimately, if the landlords get the decree, it is 20 years before it proscribes in law. It is happening all the time, and people will try and get out of it.

The point that I am trying to make is that you cannot get blood out of a stone. In our experience, people do not have the money to pay the bedroom tax. If the Scottish Parliament does not do something about it in the next wee while, the losers will be tenants and social landlords. I understand that Linda Fabiani and I are on the same page.

On eviction, there is a powerful economic case. Is it economically viable to spend £6,000 to evict someone because they are £600 in arrears? The answer to that must be no. If you ask the question for the next year and the next year, the answer will still be no. I admit that once the period of time gets longer, eviction starts to become economically viable, but it is not economically viable to evict people solely because of the bedroom tax in the medium term.

Linda Fabiani: But they will still have an ordinary debt instead of a bedroom tax debt.

Mike Dailly: It is not really about an ordinary debt. In the eviction process, people will get with a variable summons a decree for ejection and a decree for payment. Tenants in Scotland always have an ordinary debt, if you like, but there is a difference for the landlord. The landlord can kick tenants out of the house because they need to rent the house to get a rental income and have a sustainable business model. However, if you look at the economics of the sustainable business model, you will see that it cannot possibly be sensible to evict someone in the short to medium term.

Linda Fabiani: Has all that been run past the housing regulator and considered in terms of the regulation of and governance models for housing associations?

Mike Dailly: This is a matter of policy and the body that deals with policy in Scotland is the Scottish Parliament.

Linda Fabiani: The governance of housing associations is also an issue.

Garry Burns: The tenants should be considered as well. I have heard a lot about housing associations and local authorities but I have not heard anything about what tenants feel.

Linda Fabiani: Well I have, Mr Burns.

Annabelle Ewing: We all have, convener.

Linda Fabiani: I hear day and daily what tenants are feeling. Every one of us does.

Garry Burns: So do I.

Linda Fabiani: I think that we are on the same page with that one.

Garry Burns: But if you ask a tenant if they would rather have a debt or a debt with the possibility of eviction, they would rather have the debt, and that is the point that this petition represents.

Kevin Stewart (Aberdeen Central) (SNP): Like my colleagues around the table, I am being questioned day and daily about this issue. We are seeing the chaos that the policy that Westminster has imposed on us is causing.

Mr Burns is correct up to a point, but I want to ask him a question that was posed to me a few weeks ago. What happens to the pursual of a debt if someone whose debt is growing gets a job? Those are the kinds of things that people are thinking about.

Beyond that, a huge number of the folk who have found themselves in tough times are nae dafties, as some of the people down the road would like to think. Some very clever people have asked questions such as, "It's fine that I might be protected to a degree, but what happens to my neighbours in the council house next door because, if I canna pay and the debt is accruing, less money is going into housing capital, and that has an effect on the folks next door." Will you comment on that?

10:45

Garry Burns: The most recent research showed that overall debt has increased by a small number—about 1 per cent—in comparison with an increase of about 4 or 5 per cent in rent arrears. On the point about chasing up the debt later, that happens with eviction cases at present. So the worry about paying the debt later on applies now, but people can be evicted, and they will have the £1,500 debt when they find work and will need to start paying it back. All that we propose is to prevent people from having to go through the eviction process and become homeless. Having worked on homelessness for a wee while, I can

assure you that the homelessness process is horrible. It is as nice as it can be and there are examples of it working well, but there are a lot of examples of it working poorly. The current situation will put extra pressure on homelessness services, but that would not happen if our policy was taken forward.

Mike Dailly: Further down the line, we could take a bold step and write off the debt. In England and Wales, poll tax arrears had to be written off. We did not do that in Scotland, which was a great mistake, because lots of people were pursued for very small amounts, such as water and sewerage charges of £200 or £300 that people could not get benefits for. The issue was resolved in England. We could have a discussion about that. To be fair, we take Kevin Stewart's point that there is no magic wand here, apart from scrapping the bedroom tax. We are—almost—all agreed that that is what we should do but, until it happens, our sole concern is that, as I have said, in the short to medium term it makes no sense to evict people. All the problems that Mr Stewart talked about are valid ones to raise, but they are going to happen anyway.

Kevin Stewart: Mr Dailly said where there is a will, there is a way. Under a later agenda item, we will talk about the council tax reduction; yet, just last week in the Parliament, we saw an attempt by certain members of the Labour Party to block regulations on that and to prevent that mitigation. Who is to say that there will not be attempts at the Delegated Powers and Law Reform Committee to say that we do not actually have the powers to do what you propose and that we are impinging on Westminster's responsibilities?

Mike Dailly: We thought long and hard when we came up with the proposal, so we did not just pluck it out of thin air. The matter is incredibly difficult, which is why we have focused purely on the ejection issue. Of course, that is regulated by the Housing (Scotland) Act 2001. That is why we have kept the proposal incredibly narrow. We are conscious of the points that you make and we want to do something that we think can help people and social landlords in Scotland. There is no question whatsoever that the proposal would not be within the powers of the Scottish Parliament.

Kevin Stewart: Mr Dailly also talked about social apartheid. I would perhaps not be quite so harsh, but in some regards it is what I would call the usual Tory divide-and-rule approach. We have the suggestion on dealing with the bedroom tax. Mr Dailly also said that he thinks it unlikely that universal credit will come in, but other housing benefit changes are already having effects on people such as tenants in the private rented sector

who are under 35. What should we do about that situation?

Garry Burns: Actually, the provision on under-35s in the private sector comes with a lot of caveats, including on single mothers, people with disabilities and people who have been homeless or who have previously been in local authority care. It is an issue, but it affects fewer people than are affected by the bedroom tax. The caveats that come with it do not make it a great policy, but they mitigate the effects. Also, people in the private sector can move a lot more freely than those in the social rented sector.

Kevin Stewart: As someone who represents an area in which there is quite heavy reliance on the private sector, I do not think that the problem is as small as you might think it is.

Garry Burns: I did not say that it is a small problem; I said that it is smaller than the bedroom tax.

The Convener: We have overrun a bit, but it was important that we got into the detail of the issue so that we could consider it as fully as possible. I hope that members agree that we have done that and that we managed to avoid major speeches, although some members still tried to push it out a bit. I thank the witnesses for giving us their views, which we will consider in due course after we have taken more evidence.

I will suspend the meeting for a few minutes to allow the witnesses to change over.

10:51

Meeting suspended.

10:57

On resuming—

The Convener: I welcome our second panel of witnesses: Jim Hayton, policy manager for the Association of Local Authority Chief Housing Officers; David Bookbinder, head of policy and public affairs at the Chartered Institute of Housing; David Ogilvie, policy manager at the Scottish Federation of Housing Associations; and Councillor Harry McGuigan, spokesperson on community wellbeing for the Convention of Scottish Local Authorities.

I invite the panel to make short opening statements. I believe that it has been agreed that Jim Hayton will begin.

Jim Hayton (Association of Local Authority Chief Housing Officers): Thank you, convener. As I have been asked to be brief, I will be very brief indeed.

I hope that I have set out ALACHO's position very succinctly in our one-and-a-half page submission. As has been said, many people in the room are well aware of the damaging impact of the underoccupation penalty or bedroom tax. ALACHO is no exception; our members are housing officers and senior housing officers who work in councils and see and experience the policy's damaging impact every day. We are working very hard to mitigate the policy's impact and at various points have been involved with CIH and others in campaigns to stop the legislation. Clearly those campaigns have not been successful to date, but we will continue to take part in them.

We understand the democratic imperative that councils make rent arrears policy; indeed, we think that they are best placed to undertake that work. We also understand why elected members would wish to comfort tenants who might be affected by this policy by telling them that they will not be evicted for bedroom tax arrears alone if they choose to engage with the authority, and we have acknowledged and support all of that.

However, we feel it incumbent on us as a professional body to point out that should the committee be minded to approve the petition there would be challenges in implementing its terms. Although it appears to be straightforward, ALACHO members have told us that the proposal could be quite complex and unwieldy to implement and that money would have to be spent to change information systems relating to the allocation of resources to make a clear separation between bedroom tax arrears and other rent arrears.

The proposal could also be unfair. We have heard of other groups such as single people in the private sector who are suffering from welfare reforms and one might ask why there is no similar legislation for or consideration of those groups. Some of our members and indeed some tenants to whom we have spoken also felt the proposal to be a bit unfair in that it might penalise those who, despite financial hardship, try to pay their rent, including the underoccupation penalty.

11:00

Most important, the proposal might very well be risky and send out the wrong signals to tenants, ultimately encouraging a culture of non-payment of rent that could go beyond simple non-payment of the bedroom tax and lead to general non-payment of rent. That would concern us, given the good progress that has been made in ensuring that rent gets paid and revenues hold up.

In a nutshell, whatever the committee decides and if the proposal is enacted as legislation, we will of course get on with delivering it. However,

we think that the best way of addressing the situation is to ensure that tenants receive all the support that we can give, that they maximise their incomes through whatever source and that they get employment advice and information where appropriate, alternative accommodation if possible and funding through, for example, discretionary housing payments, if that, too, is possible.

I have taken slightly longer than a minute, convener, but I hope that you will forgive me.

The Convener: Thank you, Mr Hayton.

Councillor Harry McGuigan (Convention of Scottish Local Authorities): Members will know that it sometimes takes me five minutes to say hello, but I will try to avoid that by sticking to my script.

COSLA is firmly opposed to the bedroom tax, which it considers to be ill conceived, ill informed and unfair. We believe that it is unworkable and should be abolished. It will do nothing to increase the supply of housing in Scotland and the UK Government has not carried out an effective or credible impact analysis on its impact either up here or in other parts of the UK. As COSLA predicted, any saving to the UK Government is being passed on in the form of increased rent arrears to councils and registered social landlords and increased distress, pain, anxiety, worry and any other terrible word we could use for the people at the sharp end who are experiencing the imposition of this dreadful tax.

As some of you might be pleased to learn, this measure has placed councils in a very difficult position. However, as we said would happen, we are finding ourselves being portrayed as partners in and even perpetrators of this foul legislation. I feel very strongly about that. People need to understand that this has come about as a consequence of bad judgment at UK policy level, not at local authority level. We have to—and have tried to—work within the rules and regulations that apply to local authorities; however, the situation is very difficult. Councils are doing what they can to assist people in this situation through discretionary housing payments and other supports, but at the same time we have a duty to take all reasonable steps to collect the rent that is due. In that regard, we feel that eviction is never a reasonable step.

Indeed, councils do not consider it fair to proceed to eviction of tenants on the grounds of arrears that have come about because of the bedroom tax. That is demonstrated in the significant number of councils across Scotland that have adopted policies to reassure tenants that they will not proceed to eviction where tenants are doing everything that they reasonably can to deal with the situation and are co-operating with the council.

Analysis of housing stock availability in Scotland and COSLA's sampling show that, for many tenants, moving is not an option. There is simply nowhere for them to go. The situation that they are facing is dreadful; they cannot pay and they cannot stay.

In those circumstances, it would be unfair to take eviction action against the victims of a policy that is unprincipled, unfair and unjust. COSLA leaders have agreed to support the proposal in the petition that the law be amended to remove that fear of eviction. That will not affect the continued responsibility of councils to take all reasonable steps within the law to collect all the debts that are owed to them.

David Bookbinder (Chartered Institute of Housing): I reassert that CIH Scotland deeply deplores the bedroom tax and, like many other people, wishes that it could be scrapped.

The petition and indeed the proposed protection from eviction (bedroom tax) (Scotland) bill are well intended, but we firmly believe that they will do a lot more harm than good. In the session with the previous panel, it was asked what the difference was between the no-evictions policies of a number of local authorities and what the petition or the bill would achieve. The difference is very simple: the so-called no-evictions policies of a large number of local authorities say—as I think was said earlier—that if a tenant is engaging with the landlord and is trying to pay, there is no question that they would be evicted. The bill says that it does not matter whether someone is engaging with the landlord; they will not be evicted. In other words, the bill will directly reward those tenants who simply choose not to talk to or engage with—to ignore—the landlord. That is the difference between local authorities' policies and what the bill would do.

The alarmingly high and rising arrears levels provide clear evidence that the no evictions approach sends out the message that it does not matter whether people pay rent. The evidence is that that can produce a relaxed approach to all rent payment and not just to payment of the bedroom tax, and it does not remove the debt. When we talk about working in the interests of tenants, we must remember that that should mean all tenants, not just the 15 per cent or so of them who are affected by the bedroom tax.

It has been suggested that the petition and the accompanying bill will solve the problem, but they will not do much to solve the problem at all. In effect, they could create a much bigger problem in the form of higher arrears levels and debt that does not go away.

David Ogilvie (Scottish Federation of Housing Associations): The SFHA is very grateful for the invitation to give evidence to the

committee. We, too, say that the bedroom tax is deeply unfair and extremely incompetent. We are calling for it to be scrapped, and we have done so this morning in briefing members' colleagues at Westminster to that effect on the Opposition day debate. We make that call consistently, day in and day out.

However, we are deeply concerned about the terms of the petition and the proposed bill. We think that the petition starts from a false premise and that there is an undercurrent—if I can describe it in that way—running through it that housing associations and co-operatives are too keen, too ready and too quick to go down the line of evictions. That is a dangerous position in which to put the housing association sector when we are talking about a public consultation; I think that putting it in that position is bordering on the irresponsible.

We must look at the fact that the protection that the bill—or the amendments to the Housing (Scotland) Act 2001—might afford tenants borders on the illusory. Tenants are already adequately protected through the pre-action requirements regime. Ultimately, sheriffs have to apply the two tests of reasonability and proportionality. As the deputy convener said, just 0.25 per cent of housing association and co-operative tenancies ended in eviction in 2011-12. To me, that does not scream that the sector that I represent is trigger-happy when it comes to evictions—far from it. Over the past 18 months, we have seen investment on a huge scale in preventative services. For example, tenant services on welfare rights and income maximisation have been expanded, there has been engagement with tenants to ensure that they are aware of what is coming down the line, and they have been helped to get online. Various rent arrears and allocations changes have been made in an effort to mitigate the impact of the bedroom tax.

I think that the petition and the accompanying bill, which is out for consultation, could bind the hands of housing associations and take away their ability to adopt a flexible approach that is tailored to tenants' individual circumstances. I would have expected the Scottish Housing Regulator to be quite alarmed by that.

The other issue that we must draw to the committee's attention is that we are already seeing an upturn in rent arrears that could ultimately threaten the sector's financial viability. We agree that there is a housing crisis, but our plea is not to make it worse by making housing associations scrabble around writing off debt and what have you. The Scottish Housing Regulator regulates the sector fairly sternly and vigorously, as do others such as the Office of the Scottish Charity Regulator for housing associations that are

charitable bodies. I think that there is more than adequate protection in all that to guarantee quality of service. However, both the Scottish Housing Regulator and OSCR quite rightly insist that housing associations do all that they can to manage their rent arrears appropriately and manage financial risks, and to ensure the greater good of all the tenants whom they serve, not just those who are impacted by the wicked bedroom tax.

I will conclude there. I could say a lot more, but I am sure that you will get it out of me through questioning.

The Convener: I thank all our witnesses. It took a bit longer than I thought that it would to hear all the statements, but it was important to get each organisation's statement on the record so that we can look at exactly what has been said.

I will kick off with a question that refers specifically to what Jim Hayton and David Bookbinder said, which chimes with what the housing minister, Margaret Burgess, said in her written response to the Public Petitions Committee. She said that the Scottish Government is

"concerned that ... legislation could encourage tenants to get into debt".

The witnesses have reiterated that concern. However, this committee commissioned research by Professor Gibb, who arrived at the same conclusion based purely on the no-evictions policy, which the Scottish Government itself has trumpeted. So, on the one hand, we have the Scottish Government promoting a no-evictions policy, but on the other hand the minister says that having no-eviction legislation could lead to debt. How will one situation make the other situation worse? I do not see any consistency in that argument. Can Jim Hayton or David Bookbinder explain how legislation would create debt, given that there is concern that a simple no-evictions policy, which we already have, will create debt?

David Bookbinder: I agree that there is very little difference. CIH was not supportive of the minister imploring local authorities to adopt a so-called no-evictions approach, because we think that when that message is well publicised—it was very well publicised by a number of local authorities—and no matter how well intended it is, it inadvertently gives all the wrong messages. It sends a message that it does not really matter whether a person pays their rent. CIH is not of the view that the minister's approach was correct; nor is the proposed bill a correct approach. We think that both approaches are very unfortunate, because they give the wrong message about rent payment.

Councillor McGuigan: May I suggest that that view gives a very poor perception of the people out there who are suffering from rent arrears? It suggests that there is somehow an audience of people out there who are looking for a way of excusing themselves from the responsibility of paying rent. As far as we are concerned, people do not like being in debt. They do not wait for North Lanarkshire Council to announce that it will take this particular protective measure so that they can say, "Although I'll be in debt, I'll continue to be in debt." The petition is about eviction; it is not about the debt, which will still be there. It must be understood that the debt will still be there.

Are we suggesting that people are sitting at home saying, "I'll just let that debt run up"? I do not believe that the people whom I meet are like that. They are embarrassed by debt, which is regarded as a social stigma, and they do not want to be in debt. I think that the petition is an opportunity to have an enhanced focus on individuals who are falling into debt because of a very frail and poor piece of legislation. They find themselves victims of a policy that is not about social welfare, because it is intensifying poverty. We must resist that policy, but all of us round this table must get the message that people are not saying, "That's good. We can now not pay our rent." People want to ensure that they are out of debt; they do not want to be in that category of social stigma.

11:15

Jim Hayton: ALACHO members in councils felt pretty much the same way about the minister's statement as they feel about the petition, which is that there are inherent dangers in both if they encourage tenants to think that paying rent is less than important. There was a lot of interest in the first no-evictions policy when it was announced. At first, it looked like a blanket no-evictions policy but, when it was scrutinised a bit more closely, it became apparent that it contained a lot of caveats. In particular, as David Bookbinder said, the essence of the policy was that tenants had to engage with their landlords. That remains the key message that we have to get out there just now: landlords of all hues must engage with their tenants.

That applies not only to the bedroom tax. Last week, for example, we heard some very worrying news about 50,000 Scots having their benefits suspended. It is vital—and I suspect that most local authority colleagues will agree with this—that we speak to not only tenants but some of the people who gave evidence in the previous session and who do good work and that we maximise the advice, information, help and support that we can give tenants. We draw no distinction between the minister's advice and the petition as to whether

one is more or less reasonable than the other; as I have tried to highlight in my short submission, we see potential dangers and challenges in both.

David Ogilvie: Many of the concerns about the specific proposal in the petition were already drawn out in earlier questioning, not least by Ms Fabiani, who asked about what would happen with the debt and how it might be pursued. I was rather taken aback by the comment that tenants would rather have a debt than face eviction and have to wonder whether it was made on the basis of one person's opinion or a survey that was carried out. To be brutally honest, I have to say that I have yet to hear of any tenants who want to have either.

The issue that we have with the proposal is this: even if it crystallises one set of bedroom tax arrears as a debt—if that can be calculated—what happens thereafter? Tenants will not be helped at all, because they will accrue further bedroom tax arrears. That has to be borne in mind.

The Convener: Before I bring in other members, I want to go back to a comment made by Mr Hayton. When councillors gave evidence to us on the situation with the bedroom tax, the representative from Dundee City Council said that the no-eviction policy contained caveats. Can we get this clarified? Is the no-eviction policy an actual no-eviction policy or is it a "We'll try our best not to evict you as long as you act reasonably with the local authority" policy?

Councillor McGuigan: Under the policy approved by COSLA members—in other words, Scotland's 32 local authorities—and the decision taken by that democratic organisation, there will be a no-eviction policy as far as the bedroom tax is concerned. That is what we are asking for.

The Convener: But Mr Hayton gave the impression that that is not how local authorities have perceived the policy.

Councillor McGuigan: I am speaking as an elected member on behalf of the councils in Scotland, whereas Jim Hayton is speaking from the point of view of the CIH, which is an officer-led organisation.

Linda Fabiani: No, he is not.

David Bookbinder: I am sorry, but I think that we are mixing up two things. Councillor McGuigan has correctly referred to what COSLA is calling for, as agreed by the leaders, but your question, convener, was about the so-called no-eviction policies that have been around for some months now. In that respect, every policy from every individual local authority that we have seen makes it clear that the tenant will not be evicted as long as they are engaging with the landlord and doing everything they can to pay. The implication is that if the tenant is not engaging at all and is ignoring

all efforts to contact them, eviction will not be ruled out.

The Convener: But I want to get this clarified and reiterated. The Government says that it supports a no-eviction policy, but organisations such as the CIH as well as the academic who conducted research for this committee have expressed concern that saying that there is a no-eviction policy will itself lead to debt. Are you saying that that policy does not actually exist?

David Bookbinder: There is an incredibly strong correlation between those councils that declared—especially early on—a so-called no-eviction approach and the high level of arrears that they are now facing.

Any message about a no-eviction approach sends a message about not paying rent. As we said earlier, both approaches—the minister imploring local authorities earlier this year to adopt a no-eviction approach and the approach that the petition seeks to implement—would send all the wrong messages. There is a subtle difference between them, because local authorities' policies do not rule out eviction, but they both send the wrong message.

Councillor McGuigan: With regard to the views of local authorities and the decision that COSLA took, the correlation that is being suggested is not convincing at all. The only way to deal with the bedroom tax element is to do as the petition suggests.

Kevin Stewart: We have already heard mentioned some of the evidence that the committee took on 26 March 2013, when we had a number of councillors in front of us. At that meeting, Councillor Jimmy Black of Dundee City Council stated—I am paraphrasing—that there had to be engagement with tenants throughout the process.

The Convener: That was the point that I was making.

Kevin Stewart: As a very green councillor a number of years ago, I spoke to a housing assistant to see whether it was possible to have blanket policies on certain issues. She said to me, “Dinna be daft—if you have a blanket policy, folk winna speak to you any more.” That is the key point that we are hearing about in evidence today.

At the meeting on 26 March, the leader of North Lanarkshire Council said that he was not in favour of a blanket no-eviction policy. He said that, if a council says that it is not going to evict, it is

“opening the door, to some extent, to some people who might take advantage of it.”—[*Official Report, Welfare Reform Committee*, 26 March 2013; c 678.]

That has come through in some of the evidence. I would like to think that Councillor McGuigan is right and that everybody thinks the same way, but we know that there is always a small minority of folk who do not care about the debt that they rack up or the others around them.

My question is on the engagement issue. Do you think that, if the petitioners get their way and there is a blanket no-eviction policy, many people will stop engaging with their social landlord? Will it lead them to increase their debt?

If somebody finds a job and gets themselves off housing benefit, and has racked up that debt, how would you deal with that type of situation?

David Ogilvie: The latter half of your question has made my first point disappear out of my head—sorry.

If any message is put out that could be interpreted by all tenants—not just those affected by the bedroom tax—as saying that we as landlords would, through legislative action, give tenants a bye on this particular type of rent arrears, it will store up a whole load of practical day-to-day operational issues for housing managers.

What happens to those who are in full-time work who pay the rent themselves, and to those—as has been mentioned—who are currently seeking work but, through no fault of their own, receive a jobseekers allowance sanction of four weeks? What happens to their ability to pay the rent on time?

The issue here is very serious. If the message goes out that one category of rent arrears does not really matter, other people will say, “Well, if you’re taking that view, where’s the equality? If you’re saying that about one classification of rent arrears, why should I bother to pay the full rent?” Rather than seeing a pattern of non-payment, we will end up with a pattern of underpayment or sporadic payment, which will be a much bigger issue for us to manage in future, and that is a big area of concern.

Councillor McGuigan: With the greatest respect, that is a speculative response on the issue of whether there are other subsets of people out there who say, “If they don’t have to pay that, we won’t have to pay for this.” I do not accept that people think that.

Kevin Stewart: Could I—

The Convener: Could you let the witness answer?

Councillor McGuigan: I am going to come to your point about whether the debt is pursuable. You also referred to the leader of my council. Jim McCabe gave an honest and open answer when

he attended this committee away back in March when he stated that we were pursuing all aspects of the policy. We wanted to make sure that we were not in any way inviting people simply to say, "We're not gonnae pay." That was certainly the situation away back in March.

We are now in November and we are seeing the terrible consequences of the bedroom tax. We and you are seeing people coming along to surgeries who are distraught with anxiety and worry. This tax is a bad tax. It is unjust and it was imposed on us. Nothing in the missives of North Lanarkshire Council or any other council in Scotland says that we can change things tomorrow just like that, so people will have to pay another 14 per cent or 25 per cent. That is bad policy and it needs to be abolished. What we are proposing is one way of at least protecting people who are suffering from the worst duress at the moment.

Kevin Stewart: We know that it is a horrendous policy and one of the stupidest policies that has ever emanated from Westminster—and there have been many. However, you said that Mr Ogilvie was being speculative. I draw your attention back to what Councillor McCabe said on 26 March. He said that a policy of not evicting

"would mean opening the door, to some extent, to some people who might take advantage of it".—[*Official Report, Welfare Reform Committee*, 26 March 2013; c 678.]

Mr Ogilvie said much the same just now, and you called him speculative; do you think that Councillor McCabe was being speculative when he gave his evidence on 26 March?

Councillor McGuigan: No, I do not.

Kevin Stewart: If you do not, what is the difference between what Councillor McCabe said and what Mr Ogilvie has just said?

Councillor McGuigan: As you said in your own words, Councillor McCabe said that "some people" might take advantage. The implication of David Ogilvie's contribution—and I recognise that his contribution was well intentioned—is that there is a whole host of people out there who will say, "That is what we will do." That is not the situation at all, and it is not what Jim McCabe said he expected. He recognised the reality at that meeting in March. As we see the heinous effect that this legislation is having, it is quite right for us to re-examine and review it; that is part and parcel of sensible politics, and it is in the best interests of the communities that we serve. That is what Jim McCabe did.

North Lanarkshire Council's position is absolutely clear, and it is absolutely clear in COSLA: we will not countenance evictions because of the bedroom tax. We hope that everyone who is sitting around this table will concur with that.

David Bookbinder: Most tenants undoubtedly want to pay their rent but, when push comes to shove, if someone who has fuel and food bills and Christmas to worry about senses that their landlord has a more lenient approach to rent, they might make it less of a priority under those competing pressures.

I will give you one brief example. I will not say which council area it is from, because that does not really matter. We know of one area in which the council adopted a so-called no-evictions approach, and gave out that message. Its current non-payment rate for the bedroom tax is 74 per cent. A few miles away, a small community-based housing association gave out no such message and it worked intensively with tenants to maximise rent; its non-payment rate is 10 per cent.

11:30

Kevin Stewart: Mr Hayton?

Jim Hayton: Local government officers are paid employees of local government. Councillor McGuigan has outlined COSLA's policy and, if councils adopt it, it is unequivocally the case that local government officers will get on and implement that. If it is a blanket policy of no evictions—I think that officers absolutely get the stress and suffering that such a policy might go some way to alleviate—they would get on and implement that. If officers were asked by the same politicians to conduct any kind of risk assessment of the implications of putting the policy in place, I think that they would talk about the increased risk of non-payment and the possible reduction in council revenues but, after that, it would absolutely be a matter for local elected members to decide whether to go ahead.

I am not aware of any evictions due to the bedroom tax so far. We have had a few well-publicised threats and examples, but in almost every case the explanation has been that there was no formal intent to proceed and the cases were much more about sending a message—as a last resort, if you like—to try to get tenants to engage.

Councils absolutely get the bit about the costs of eviction in human terms, in revenue terms and in social terms, and they well understand the irony that they could be threatening to evict someone whom they would have a responsibility to rehouse the next day. They will move heaven and earth to try to keep people in situ, especially where families are involved, because they know the extra costs that come with eviction.

To answer your question directly, I note that there must be an increased risk of non-payment, but that has to be managed in the context of good advice and support services to tenants.

Kevin Stewart: Can I come back to the point that I was trying to make? Do you find that engagement with individual tenants lessens if there is a blanket policy on certain issues?

Jim Hayton: The risk must be that that will happen. I have no empirical evidence in front of me to answer your question directly but, as David Ogilvie has pointed out, there must be a tendency for some people to decide not to engage on that basis, because there are potentially no consequences to that lack of engagement. That will not stop us trying to do it, of course. It will just make it a bit more difficult to achieve it.

Kevin Stewart: Thank you.

Linda Fabiani: I ask for your advice on some things that we heard earlier, for clarification. The first panel said that it is a nonsense to say that, when the universal credit comes in, it will further muddy the waters in relation to the identification of bedroom tax arrears. We heard that, when the universal credit arrives, the tenant will have to identify which arrears are due to the bedroom tax, and we were shown a sheet that showed how the figures are laid out.

Is there any policy evidence from research that shows that the method of notification of benefits will remain the same under the universal credit so that people will be able to say, "That's bedroom tax, and that's something else."

David Ogilvie: Absolutely not. As you would expect, the SFHA is one of the stakeholders that are attending various DWP working groups, and we have asked for such an assurance, but none has been forthcoming. I was rather taken aback when Mr Burns pulled out the letter, because I have not heard any such suggestion.

My understanding of how the universal credit is intended to work is that it will be processed a certain number of days after the application and the claimant will receive the money directly into their bank account. It will be their responsibility to manage their money from then on. At no point will the landlord be notified of what payment has been made with respect to housing costs. That is one of the biggest bones of contention that we have with the universal credit system.

David Bookbinder: Just to complement what David Ogilvie said, I think that the letter that a previous panel member referred to was a housing benefit letter under the current system. In that case, it may be that some local authorities can make separate identification. I wrote down what the panel member said earlier, which was that universal credit will involve "several different award letters" telling people what they will get. We do not know that. Everything that we understand about universal credit—the whole purpose of universal credit—is that it is a single claim, which

will not break down every component into finer detail. Every understanding that the Chartered Institute of Housing for the UK has is that under universal credit, the level of information on the housing element will be nothing compared to what it is now under housing benefit.

Councillor McGuigan: It is quite extraordinary to suggest that we cannot get that information. If we have the will to get that information, we can get it; we can negotiate with the UK Government to ensure that we are able to access that information. That is the approach that we should adopt. We should ensure that we can get the information that we require in order to ensure that things are done properly and in the best interests of the welfare of the people whom we represent.

David Ogilvie: Let us not forget that one of the other things that we will lose when universal credit is introduced is the local contact with housing benefits management. I appreciate what Councillor McGuigan is saying; there is perhaps an axis that can be explored to get such an arrangement in place—we would back you if you could manage that—but I see no signs of it happening now. I have to deal with the situation that is in front of us, which is that we would be in the dark about housing costs.

Linda Fabiani: Another thing that was said, which was probably aimed at David Ogilvie in particular, related to housing associations. Housing associations come in many forms; some are large, and some are small community-based operations with voluntary committee members. I am paraphrasing, although I wrote down the actual phrase, but it was said that we have to ensure that social landlords do not become insolvent, which I thought was a strange statement. I would like to hear from the representative of all those housing associations of different sizes how that ties in to the debt issue, the financial governance under which housing associations have to operate, the governance in relation to voluntary committee members who work in their own time for no reward and, of course, the Scottish Housing Regulator and COSLA. What is your take on how the petition would help to ensure that social landlords do not become insolvent?

David Ogilvie: I do not want to say. Okay—I am just going to say it. We need to bear it in mind that Mr Dailly currently sits on the board of the Scottish Housing Regulator. That is a bit of a head scratcher for me, because that august body has responsibility for the oversight, governance and regulation of housing associations with regard to rent arrears, debt management, risk profiling and so on. There is a dissonance between that reality and what the petition is putting forward. We have to find out what is going on there.

We are, to be frank, very concerned that we are already seeing an upturn in arrears three months into the bedroom tax; the SHR's own research indicates an upturn in rent arrears, although we have yet to see the latest report. At the risk of getting into the realms of speculation again, my expectation is that we will see a further increase. As you push and push at the margins of existing financial governance, there is always the fearsome risk that none of us really wants to countenance that some housing associations—it might not be about size; it is about the circumstances of those housing associations—might be pushed to the brink.

Mr Dailly said earlier that all that they are looking for is an “extra millimetre”. I contend that perhaps this committee has to satisfy itself that that extra millimetre will not be what shoves some housing associations over the edge.

Linda Fabiani: I have a final question for Mr McGuigan.

The Convener: Make it just a quick one, because we really are starting to come up against the clock.

Linda Fabiani: We have talked a lot about perceptions. I say to Councillor McGuigan that one of them is the perception that the Scottish Government has a lot of money with which it can mitigate all the problems, as we have seen in relation to the Scottish welfare fund and are seeing again now.

How long does Councillor McGuigan—from COSLA's perspective—think that Scotland can sustain perpetual mitigation of UK policy in the face of what is coming from Westminster? Has COSLA ever considered dealing with the fact that, if the Parliament had powers over welfare, we could get rid of the bedroom tax almost immediately?

Councillor McGuigan: That is a big question and even Harry McGuigan could not answer that for you, Linda. However, I can say certainly that we should be working with the Scottish Government to find sensible and effective ways and means of mitigating the social pain that is being experienced in one of the most fragile subsets of our communities. We have a responsibility to do that.

I do not have the remedy, but I will tell you this much—there was some discussion away back in March, at the same time as my council leader came to the committee and did his best to suggest a way forward. I was negotiating with your ministers on the need to try to find resources from somewhere because the pain was being felt within a month.

Linda Fabiani: We have tried to find resources.

Councillor McGuigan: Indeed; you are right; we are delighted with the £20 million, but it took negotiation to secure that. All I am saying to you is that the solution can be found by negotiating with ministers of whatever hue to find the best set of remedies that will mitigate the pain and anxiety that exist. I am certainly up for doing that, and I am sure that COSLA is, too.

Linda Fabiani: To finish this point, the very idea of negotiating with the nonsense that we have had from the UK Government—

The Convener: I said no speeches, Linda.

Linda Fabiani: Okay.

Ken Macintosh: I will pick up a point that Mr Bookbinder made in his opening statement about the difference between the Government's and local authorities' no-eviction policy and the proposed bill. We are talking about a proposal to put national policy—Scottish Government and local authority policy—into legislation. You suggested that the only difference is that the proposed bill would not place an emphasis on tenants engaging with landlords, but the petition specifically says that tenants who do not pay their rent and/or fail to engage or act reasonably with their landlord would be liable to eviction proceedings. In other words, it would not change their engagement with landlords one bit.

David Bookbinder: Tenants who, perhaps over years, never engage could never be subject to eviction for not paying the bedroom tax under the proposed bill. That is the difference. It is clear that the proposed bill would, in effect, reward tenants who do not engage at all in relation to payment of the bedroom tax whereas, under current local authority approaches, eviction is open to the local authority—and, indeed, to housing associations—as a sanction on tenants who do not engage at all.

Ken Macintosh: It may be a sanction—I agree with that—but in what way would the proposed bill change the policies of all local authorities and housing associations on engaging with their tenants? In what way would the bill damage, reduce, minimise or lessen those policies?

David Bookbinder: At the moment, councils and housing associations are doing everything that they can to engage. However, if a tenant fails to engage over a long period, eviction is currently available as a last sanction. Under the proposed bill, there would be no such sanction.

Ken Macintosh: I agree that there would be no such sanction, but I still do not understand. You said earlier that the difference between a council's no-eviction policy and the proposed bill is that the bill would not place the emphasis on tenants engaging with landlords. However, they both do exactly the same thing: they both simply remove

the sanction of eviction. Therefore, I do not see the difference between the two.

11:45

David Bookbinder: Council policies do not remove the eviction sanction; the eviction sanction is still there. The big difference between the two approaches is that there would be no eviction sanction under the proposed bill.

Ken Macintosh: I am sorry, but if the Government and local authorities say that they have a policy of no evictions, what is the difference between that and the proposed bill?

David Bookbinder: I am struggling to understand why I cannot get the message across. The so-called no-eviction policies that were originally adopted by local authorities are policies of no eviction of people who engage, which means potential eviction if they do not engage. That is the difference.

Ken Macintosh: Do you think that bedroom tax arrears are still a basis for eviction, despite the fact that the Government and councils have said that they are not?

David Bookbinder: I imagine that the number of evictions will be minimal, if there are any at all. However, if over two or three years a tenant persistently refuses to engage with a landlord on the bedroom tax and refuses to answer letters, the door or phone calls, the option of eviction is there.

Ken Macintosh: What is the difference between that policy of eviction and the policy of eviction for anything else? All tenants have to engage on their debts and, if they do not, they will finally be evicted.

David Bookbinder: The bill would prevent that.

Ken Macintosh: Yes, I know, but at the moment the Government and local authorities say that there is a no-evictions policy for rent arrears arising from the bedroom tax. You say that that means that they will not be able to engage, but there is no difference between the policy of engagement on the bedroom tax and the policy of engagement on any other debt. Is there any difference at all between the two no-evictions policies? There does not seem to be.

David Bookbinder: Yes there is. Under one policy, the sanction of eviction exists and, under the other, it does not—eviction would not be open to the landlord.

Ken Macintosh: We are agreed that that sanction has—

The Convener: We are really starting to move up against the clock, Mr Macintosh.

Ken Macintosh: Okay. I have another question for Mr Bookbinder. He believes that the bill is designed to try to get £50 million out of the Government. I am not quite sure why he included that comment, but does he believe that it is wrong for the Government to pay £50 million to mitigate the effects of the bedroom tax?

David Bookbinder: I am sorry—does who believe that?

Ken Macintosh: The CIH.

David Bookbinder: We believe that a proportionate approach is needed. For example, as was alluded to earlier, tenants in the private rented sector who are under 35 have lost 40 to 50 per cent of their benefits within their current tenancy, but nobody seems to be talking about bailing out tenants in that situation. We commend the Scottish Government for making available the money that it has made available, which is a considerable sum. The danger is that it would be a disproportionate approach to go even further on the bedroom tax while going no distance at all for people in the private rented sector who have lost massive amounts of housing benefit.

Ken Macintosh: For clarification, is the CIH saying that the Scottish Government should not find £50 million to mitigate the policy?

David Bookbinder: We are saying that there should be a proportionate approach that looks at all people who are affected by the housing benefit changes.

Jamie Hepburn: Mr Ogilvie and Mr Bookbinder have provided useful clarification on what information might be available about housing costs when the universal credit is rolled out. You are suggesting that Mr Burns, who was on the previous panel, was perhaps misinformed. Having given us that clarification, could you say how a lack of information once universal credit is in place would manifest itself in trying to take forward the petition's policy objectives?

David Ogilvie: As I said, the fundamental issue that the SFHA has with the petition is that it would bind the hands of landlords and prevent them from taking a flexible approach to dealing with the rent arrears circumstances of individual tenants. All politicians are mindful of the old adage that we legislate in haste and repent at leisure. We do not want that situation to arise on the back of what is already a terrible crisis. I do not want anybody to leave this meeting thinking that the SFHA does not care about the tenants who are affected, because we care deeply.

Another issue is that, taking the SHR's figures, 13 per cent of the tenant base is affected by the bedroom tax, but what about the other 87 per cent of the tenant base, who also need a service? They

need their landlords to stay viable so that they can access a variety of services on things such as employability and getting online, and so that they can benefit from the work that housing associations in particular have done on rent arrears.

Jamie Hepburn: I get that. The point is that implementation of the policy that Mr Dailly sets out in his petition would require a knowledge of the housing costs that would be a part of universal credit once it has been rolled out. As Mr Ogilvie pointed out earlier, it would be very hard to get that level of clarification. In that case, how effective would the policy be? How would it be implemented on a practical level?

David Ogilvie: I have taken soundings from housing managers over the past few months. Although the SHR report mentions a hypothetical level of bedroom tax arrears, it is presented as a snapshot figure at one point in time. However, the population that we are measuring is dynamic; the profile of those who are and are not being caught by the bedroom tax keeps changing. That is another issue.

The bottom line is that getting that clarification would not be at all easy. People have reported to me that they have provided figures for the purposes of the SHR report, but how on earth will they know, as we move forward, and particularly once we get into the realms of sanctions and various other measures, what the cause of someone's rent arrears is? That will become increasingly difficult.

It is easy to say that, from 1 April, people who previously did not have any arrears and were perfect payers suddenly had arrears. We can see that they have bedroom tax arrears, if you want to call it that. However, we have to be really careful about the figures, because that cohort will also contain people who have non-debt deductions and various other things.

Jamie Hepburn: Councillor McGuigan's solution is that we should negotiate with the UK Government to ensure that we get that information, but we cannot even get UK Government ministers to come before the committee to provide it. The success of the policy would be predicated on securing such an agreement. Given Councillor McGuigan's earlier caution against speculation, would not it be somewhat speculative to presume that we would get an agreement?

Councillor McGuigan: I am sorry—I missed the tail end of your question.

Jamie Hepburn: Would not it be speculative to presume that we would get an agreement from the UK Government to provide that information?

Councillor McGuigan: It would be worth working for in order to try to change the silly relationships that discourage people from talking at Government level. I cannot believe that it is so difficult to have UK ministers talking to Scottish ministers on such an important matter.

The bedroom tax is a draconian policy, and it is hitting people in Scotland. It is very important that we at least say that. When we say that we need flexibility in collection of rent arrears, what do we mean by that? Does that mean that we have to keep the intimidatory aspect of eviction in the process? That is the flexibility.

Local authorities are currently using a lot of flexibility; Jim Hayton listed some of the approaches that are being adopted. The issues should be resolved at Government level, and the decisions should be taken there. I was down at Westminster last week giving evidence to the Scottish Affairs Committee on the failures and deficiencies in welfare reform and the bedroom tax. We know that that does not necessarily change anything, but we have to keep working at it. We do not give in on it.

Jamie Hepburn: No one would dispute that we should keep working at it and get Government agreement. However, is it not a fact that it would be speculation to presume that we would get the UK Government to agree to provide the information on which the success of such a policy would be predicated?

Councillor McGuigan: At the beginning of this whole thing, when the plan for universal credit was introduced and people started talking about it, and when the bedroom tax was introduced, the UK Government was seeking to apply universal credit on those aged over 65—the working age cut-off thing. We got the UK Government to change its mind on that, but it was not just us—the opinion right across the UK was that that was unacceptable.

You can work away at something and make the changes. I know what change I want to see down at Westminster that would certainly mean that there would be big changes for the better across the UK, and that is the election of a different Government. However, I am not here to talk about my particular political views.

Jamie Hepburn: We invited you here to speak on behalf of COSLA.

Annabelle Ewing: Picking up on Councillor McGuigan's last point, I would like this Parliament to have the power to scrap the iniquitous bedroom tax, so that we could do so tomorrow and get on with things. The fact that we do not have such powers imposes on people the misery to which he rightly referred. However, each person will have that choice to make next year.

Gentlemen, you may be aware of point 5 of Professor Gibb's summary on page 4 of his report for the committee, which states:

"Arrears arising from the 'bedroom tax' need to be clearly understood (and their relationship with other rent arrears) but caution should be exercised and further consultation should take place before considering blanket forgiveness of such arrears."

I would appreciate hearing the witnesses' comments on that conclusion and on the implicit idea that, in order to arrive at a useful conclusion one way or t'other, we would need more information—including, I would have thought, information on the cost implications of pursuing the policy that Mr Dailly's petition outlines.

What estimates have been made of the cost of pursuing such a policy vis-à-vis local authority budgets, the Scottish Government budget and—picking up some of the issues that have already been mentioned—the budget for the housing sector as a whole? It is incredibly important to work that out in advance of doing something that could have an impact that unintentionally makes things worse. Perhaps the gentleman would care to comment on that.

Jim Hayton: I have Ken Gibb's report in front of me, and I broadly agree with his recommendation of caution. You asked what evidence we have on the cost of implementing the policy. We do not have any empirical evidence, because we have not asked councils or registered social landlords to calculate the cost yet. Much of the cost would become obvious only if the policy in the petition subsequently became law and we had to implement it.

When I researched the policy and asked councils what they thought it might mean, they highlighted that it would result in potentially significant resources being devoted to things such as changing IT systems. It is quite difficult at present to record bedroom tax arrears separately, which may have been why the Scottish Housing Regulator did not ask that specific question in its recent survey. It would be complicated to separate clearly bedroom tax arrears from other types of rent arrears resulting from non-dependant reductions and so forth. It would not be impossible, and if we had to do it we would, but the question remains as to whether it is worth devoting resources to that or whether we should devote them to other areas, such as support for tenants.

I return to the issue of universal credit for a moment. Another point that councils made to me was that things will get significantly more complicated when universal credit is rolled out. When the housing benefit element is rolled up in a single universal credit payment and given to the tenant, who is then obliged to pay their rent, it will

become more, rather than less, difficult to separate out different forms of arrears.

The general answer is that it would cost a bit more to implement the policy, and, as with every policy, the key question is whether the benefits arising from that expenditure would outweigh any disadvantages that came from it. At present, we just do not know the answer to that in terms of facts and figures.

Councillor McGuigan: Could I make a quick comment on the term "blanket forgiveness"?

Annabelle Ewing: That was Professor Gibb's phrase.

12:00

Councillor McGuigan: Yes, it is in the concluding paragraph of his report. The term "blanket forgiveness" does not include every single iota. One aspect—eviction as a result of the bedroom tax—is totally unacceptable, and we should be brave enough to say that.

Lots of other things are going on—Jim Hayton talked about some of them. We must try to get better at ensuring that people meet their responsibilities, as I think that the vast majority want to do. People need help and support in understanding their responsibilities and they need employment—those are all factors. However, please let us not suggest that "blanket forgiveness" means that if we take away eviction—

Annabelle Ewing: That was Professor Gibb's term.

Councillor McGuigan: I know that. If Professor Gibb takes eviction out of the catalogue of things that he includes in the term "blanket forgiveness", that will not render everything else useless. Doing so simply indicates that we are making a more intense effort to support people better and enable them to have resources.

Something could be done in relation to rent differentials. The rent differential between a one-bedroom property and a two-bedroom property in North Lanarkshire is about £3.75, but the victims of the bedroom tax are getting hit to the tune of about £14 or £15. People who are paying the extra £3.75 in rent in North Lanarkshire will think, "I'm better off than they poor cronies, to the tune of £8 or £8.50 per week."

The Convener: We have run out of time, but I will allow Jackie Baillie to ask a short question.

Jackie Baillie (Dumbarton) (Lab): I will be incredibly quick. May I first crave members' indulgence and invite the deputy convener and other members of the committee to consider the consultation on the proposed protection from eviction (bedroom tax) (Scotland) bill? It explores

how arrears could be identified, about which much has been said today.

I understand that councils are squeezed for resources. Equally, I understand that housing associations have incredibly tight margins—they must respond to their private sector lenders and they have banks to satisfy.

Much has been said about the Scottish Government's power to mitigate fully the consequences of the bedroom tax. The Scottish Government already provides resources to local authorities and housing associations, and of course everybody welcomes the additional £20 million for discretionary housing payments. Some local authorities have already topped up, so the £20 million comes on top of what they have done.

I have three quick questions. First, was the £20 million ring fenced? Secondly, I hear that some local authorities who have already topped up are putting the money into a homelessness prevention fund and can therefore use it more creatively. Is that the case? Thirdly, would the witnesses—individually and collectively—support the provision of £50 million in the budget, which would deal with a lot of the issues about which we are concerned?

Councillor McGuigan: You are absolutely correct. We need a lump sum of £50 million if this horrendous tax is to continue. First and foremost, we need to get the tax abolished. If we do not do that, we must ensure that the resources are there to help people.

The money has not been ring fenced. It is being used to do some of the things that Jim Hayton talked about, such as providing local support, so that we reach the people who are right out there on the margins and do not know how to deal with the situation on their own. The resources will be used to compensate for the horrendous impact on victims of the bedroom tax throughout Scotland.

David Bookbinder: The support that is given to people who have been hit by the bedroom tax needs to be proportionate. The CIH regularly appears before committees of the Parliament to argue that more money should be spent on building new homes. If we put a disproportionate amount of money into welfare reform mitigation, money will potentially come out of the house-building budget. We must keep things proportionate across the different types of tenant who are hit by these very difficult welfare reforms.

Jim Hayton: On Jackie Baillie's first question, my understanding, which might be wrong, is that the money is ring fenced for discretionary housing payments, and that councils are using it for that. On the creative use of surpluses—if we can call them that—for homelessness prevention services,

members will not be surprised to hear that I am all in favour of that. Councils have been particularly good at preventing homelessness in the past few years, as is evidenced by the significant reduction in homelessness applications.

Would we like 50 million quid? Again, from a local government perspective, I am all in favour of Government maximising resources to local government. If that money is given to councils, we will do good and preventative things with it.

David Ogilvie: The SFHA, too, has been having such discussions in-house. We have taken quite a cautious approach because we are not convinced of the accuracy of the £50 million figure. We would want a far more robust evidential base before we could make a statement beyond where we are at. I understand that it was the Welfare Reform Committee's third report of earlier this year that quoted the figure of £50 million as the one-off cost of the bedroom tax to the Scottish economy. I do not want to quibble about that too much, but the bedroom tax has been implemented since then, so what about the on-costs and administration costs? There is too much variability in that regard. We would want something far more robust before we could make a further statement. Obviously, any further mitigation that was available would be most welcome, because anything that helps tenants is most welcome.

Councillor McGuigan: I have a point just for clarity on ring fencing. As far as ring-fenced money is concerned, North Lanarkshire Council had already decided before the money became available that the 1.5-times factor would apply. We are pleased that councils were able to secure the £20 million from the Scottish Government. Some of the resources that come from that are being used in addition to the resources that we had already set aside, so in that sense the money is not ring fenced. We can take the balance between the moneys that come from the Scottish Government for DHP and the money that we had already put in and use it for the homelessness initiatives that have been referred to.

The Convener: Thanks very much for clarifying that point. I thank the witnesses for their contribution this morning. We will look at the issue at our next meeting on 19 November and discuss whether we will undertake any work on it in future.

I suspend the meeting for a few minutes so that people can change places before our next agenda item.

12:07

Meeting suspended.

12:12

On resuming—

Subordinate Legislation

Council Tax (Reduction) (Scotland) Amendment No 4 Regulations 2013 (SSI 2013/287)

The Convener: Agenda item 3 is consideration of the Council Tax (Reduction) (Scotland) Amendment No 4 Regulations 2013 (SSI2013/287). The regulations were considered by the Delegated Powers and Law Reform Committee at its meeting on 5 November. The committee did not draw the Parliament's attention to the regulations on any grounds within its remit.

For our consideration of the regulations we are joined by Jenny Brough, team leader, from the Scottish Government's council tax unit. I apologise for keeping you waiting so long this morning. I know that you expected to have this evidence session about an hour ago, so thanks very much for staying with us.

Do members have any questions on the regulations?

Ken Macintosh: Have there been any changes to the regulations following the submissions to the Government from the Child Poverty Action Group and others?

Jenny Brough (Scottish Government): I assume that you are referring to the Council Tax (Reduction) (Scotland) Amendment No 2 Regulations 2013 around reviews. Those regulations proceeded through, so there were no changes.

Ken Macintosh: Right. Will the Government collect statistical information on the implementation, monitoring and uptake of the scheme and, more important, report to Parliament on that? Will the Government report back to us?

Jenny Brough: Yes. When council tax benefit was abolished earlier this year, the DWP obviously stopped collecting any statistical information at that time. Since then, we have been working with local authorities to put in place data monitoring and reporting arrangements for the council tax reduction scheme. It is our intention that a statistical publication will be published in December. I cannot give a specific date for that at the moment, but when that information is available we will bring it to the committee's attention.

Jamie Hepburn: I have a very straightforward question. What would be the effect on people on the ground if the regulations were annulled?

Jenny Brough: The purpose of the amendments that we are making to the council tax

reduction scheme is mainly to refine provision for universal credit in advance of its roll-out in Scotland later this year. If the regulations were annulled, it would mean that provision for those in receipt of universal credit seeking to claim council tax reduction would not be as up to date as it could be.

The Convener: I invited members to ask questions on the regulations. If members have no specific comments to make on them, do they agree to note the regulations?

Members indicated agreement.

The Convener: I thank Jenny Brough for attending the meeting.

As agreed at a previous committee meeting, we now move into private session.

12:15

Meeting continued in private until 12:34.

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