



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

WELFARE REFORM COMMITTEE

Tuesday 19 November 2013

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - www.scottish.parliament.uk or by contacting Public Information on 0131 348 5000

Tuesday 19 November 2013

CONTENTS

	Col.
“EARLY IMPACTS OF WELFARE REFORM ON RENT ARREARS—RESEARCH REPORT”	1109
DISCRETIONARY HOUSING PAYMENTS	1124
PETITION	1147
Evictions Due to Underoccupation Deductions (PE1468)	1147

WELFARE REFORM COMMITTEE
19th 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:

Michael Cameron (Scottish Housing Regulator)

Lorna Campbell (Dumfries and Galloway Council)

Kirstie Corbett (Scottish Housing Regulator)

Susan Donald (Aberdeenshire Council)

Cliff Dryburgh (City of Edinburgh Council)

Annette Finnan (South Lanarkshire Council)

CLERK TO THE COMMITTEE

Simon Watkins

LOCATION

Committee Room 6

Scottish Parliament

Welfare Reform Committee

Tuesday 19 November 2013

[The Deputy Convener *opened the meeting at 10:00*]

“Early Impacts of Welfare Reform on Rent Arrears—Research Report”

The Deputy Convener (Jamie Hepburn): Good morning and welcome to the Welfare Reform Committee’s 19th meeting in 2013. The convener is running a little late, so I will convene the early part of this morning’s meeting. I remind everyone to ensure that mobile phones and other electronic devices are switched off, as they interfere with the broadcasting equipment.

Agenda item 1 is an evidence session on the Scottish Housing Regulator’s report “Early Impacts of Welfare Reform on Rent Arrears—Research Report”. I welcome the Scottish Housing Regulator’s chief executive, Michael Cameron, and its analysis and research manager, Kirstie Corbett. I invite Michael Cameron to make an opening statement outlining the outcomes from the initial research.

Michael Cameron (Scottish Housing Regulator): Thank you for the invitation to present the findings of our recent research into the early impacts of welfare reform on the rent arrears of social landlords in Scotland.

Perhaps I can start by introducing what the Scottish Housing Regulator is and then ask my colleague to take you through the findings from the research. We are the independent regulator of social landlords in Scotland and we are directly accountable to the Scottish Parliament. Our single statutory objective is to protect the interests of tenants and others who use the services of social landlords in Scotland. Our functions are to monitor, assess and report regularly on social landlords’ performance of housing activities and on registered social landlords’ financial health and standards of governance and to intervene where appropriate.

We regulate to protect the interests of around 600,000 social tenants and their families, which equates to about a fifth of all households in Scotland. We also look to protect the interests of the around 40,000 households who apply as homeless or potentially homeless each year. We look after the interests of around 100,000 people who receive factoring services from social

landlords. We also protect the interests of around 500 Gypsy Traveller families who make use of sites provided by social landlords. Just for clarity, I should say that the social landlords that we regulate involve two main groups: the 183 registered social landlords, which are mainly housing associations and co-operatives; and the landlord and homelessness functions of the 32 Scottish local authorities, of which 26 are still landlords.

The purpose of the research was to gather information that would help us to understand the early impacts on social landlords’ rental income that might result from welfare reform changes. We also wanted to find out what early actions landlords were taking and what key challenges they faced as a consequence of changes in tenants’ benefits. We published the report on those findings last month. We will run a further iteration of the survey—we issued that to social landlords on Friday—and we aim to publish the results from that survey early in the new year.

Kirstie Corbett will take you through some of the findings.

Kirstie Corbett (Scottish Housing Regulator): Good morning, everyone. I will take you briefly through the background methodology and some of the headline findings from our report. As Michael Cameron pointed out, our purpose in undertaking the research was to gather information to help us to understand some of the early impacts of welfare reform on landlords’ rent arrears.

On methodology, we undertook an online survey of all RSLs and local authority landlords in Scotland. We sought responses from 187 landlord organisations, as we had excluded Abbeyfield societies and some other landlords with specialist services that do not come within the remit of the legislation. The survey was open for five weeks or so and we provided support as required so that landlords could complete it. The response rate was a very encouraging 84 per cent, which represents 157 of the 187 landlords that we wrote to. Of those 157 responses, 137 were from registered social landlords and 20 were from local authorities. There were some smaller numbers of responses to specific questions, but I will highlight that where that has been the case.

The landlord response to the survey equated to coverage of around 80 per cent of social landlord tenants in Scotland. To benchmark that, we used some administrative data to check off where the responses had come from. We seem to have had a good level of representation of tenants in the responses to our survey.

The research findings present an overall picture nationally of rent arrears of 3.97 per cent at 30 June 2013. That figure gives arrears as a

percentage of rental income for the financial year and is the standard measure of expressing arrears across Scotland. In terms of financials, that equated to a total of just over £63 million-worth of arrears for the respondents to our survey. Compared with the arrears position in the previous two years, which is what we asked for in the survey, arrears seem to have increased from June 2011 to June 2012 to June 2013. The picture was of an increase over time as at June.

When we looked at the differences between RSLs and local authorities, we saw that local authorities tended to have a slightly higher level of arrears across each of the three years at June, including at June this year. However, there was more of an increase for local authority landlords than there was for RSLs. That was the big picture that came through from the information that was available to us on arrears when we looked at local authorities and RSLs distinctly.

Using information that we had gathered as part of our on-going data collection series, we were also able to look at the differences between the March and June figures to tease out seasonal variations that might underlie some of the shift or increase. Looking at RSLs only—we do not have the same information for local authorities—we saw that the percentage arrears level was 3.7 per cent at March 2013. The figures from our survey showed that, for that group of landlords, the percentage had come down very slightly by June. However, in money terms, that equated to an increase of just under £800,000. That is possible because the rental income for the two different periods of time was slightly different.

Essentially, when we looked back at the March to June change for the previous two years, we saw that there was a seasonal pattern of reduction in the level of arrears between March and June. However, for this year, our survey data suggested that the reduction between March and June was smaller, so we felt that there could be something more underlying the big-picture information. Digging below some of those percentage arrears figures, we saw that between March and June there was actually an increase in money terms of £400,000, whereas in 2011 and 2012 there had been quite substantial decreases in the level of arrears, of around £3 million to £3.5 million, between March and June. This year, the big picture was that we saw a slight increase in the amount of money between March and June whereas there had been a decrease in previous years.

Digging below that to the individual landlord level, we saw that around 65 per cent—or two thirds—of landlords had seen an increase in their arrears position between March and June. In previous years, the number of landlords showing

that increase was smaller. Therefore, although we have seen a seasonal pattern of reduction in arrears between March and June across a number of years, this year's reduction was much smaller and there was a slight increase in cash terms. That is the take-home message on the arrears position.

We also looked at underoccupancy. From our survey data, we saw that one in eight tenants was underoccupying at 30 June. That equated to just under 60,000 tenants or 13 per cent of the tenants covered by our landlord survey. There were slight differences between local authorities and RSLs. Local authorities seemed to have a slightly higher level of underoccupancy.

We asked landlords to estimate the impact they felt that welfare reform was having on their arrears position at the end of June, and their response to that was very consistent and showed that around 68 per cent of landlords estimated that up to around 5 per cent of their arrears at the end of June arose from welfare reform. A further 19 per cent of landlords suggested that up to around 10 per cent of their arrears arose from welfare reform. Again, local authorities were slightly more likely to attribute a higher percentage to welfare reform, and more of them estimated that, at the end of June, welfare reform was having an impact on their arrears position of between 15 and 20 per cent.

We asked landlords how confident they were in making those estimates. Again, the responses were fairly consistent across all landlords. Around 90 per cent of them were either fairly or very confident about their ability to estimate that level of impact. There were slight disparities between the positions of RSLs and local authorities on that question. Local authorities suggested that they were more likely to be unsure or slightly less confident of their ability to estimate the impact at that point in time.

We asked about the action that landlords were taking at the end of June to deal with impacts of welfare reform. They were consistent across all landlords. Everyone was focused on actions that supported tenants. The top three actions were providing information, advice and guidance to tenants; visiting individual tenants; and engaging vulnerable tenants. There was again a slight difference between RSLs and local authorities, in that local authorities were slightly less likely to suggest that they were revising their financial budgets or projections. Possible reasons for that might be that RSLs are more self-contained businesses and so might have had a stronger impetus to do that at that point in time.

There was a fairly consistent picture across all landlord respondents on the challenges that they faced at the end of June in dealing with the

impacts of welfare reform. The challenges included increased workload, income reduction, and encouraging tenants to prepare to or respond to the impacts. Local authorities highlighted a slightly different pattern in that 60 per cent of the local authorities that responded to the survey suggested that housing stock availability was their biggest challenge, in contrast to RSLs. We felt that that response was an underlying driver for some of the other differences between local authorities and registered social landlords. RSLs might have felt that challenges around housing stock presented them with slightly different concerns.

That is a quick summary of the findings from our research.

10:15

The Deputy Convener: Thank you, Mr Cameron and Ms Corbett—that was very comprehensive. I will ask a couple of opening questions. I think that Ms Corbett said that one in eight tenants is underoccupying. Is the term “underoccupying” used on the basis of the United Kingdom Government’s housing benefit policy, or has the Scottish Housing Regulator used the term historically?

Kirstie Corbett: In essence, the wording of the question was, “With reference to the legislation that came into play on 1 April on the size criteria and its impact on housing benefit, what number of tenants are currently underoccupying?”

The Deputy Convener: So the question was rooted in the process of welfare reform. Your organisation has not used that terminology historically, and you have not measured that historically.

Michael Cameron: We certainly have not measured that historically, and it is not part of our normal data set that we collect annually from social landlords. One reason why we wanted to undertake a specific survey was to help us to understand some of the dynamics that might be going on with the introduction of the legislation.

The Deputy Convener: The biggest challenge that was identified by landlords is increased workload, with 59 per cent identifying that as a challenge, and the second greatest was income reduction, which, to be fair, was only just behind at 58 per cent. I suppose that that is the challenge that leads to concerns about arrears. Can you quantify what “increased workload” means? I presume that it, too, might relate to work that is associated with arrears.

Kirstie Corbett: We gathered some open text responses, which involved asking landlords to give additional information if they felt that the choices that we had given them in the survey did not

encapsulate their position. To be truthful, we still have to analyse that text, but we do not have any further detail on the response on increased workload, because that was an option that the respondents could choose or not choose. We might be able to dig under that in future surveys, and it is possible that it will come out through work by other organisations. However, I am afraid that I cannot expand further on that on the basis of our survey.

The Deputy Convener: You used what you describe as open text. That is a new term to me, but, from what I understand, it means that people could provide additional information about their experience. That information is available. You might not be able to quantify it, but it still might be useful evidence. Are you still gathering that and, if so, will it become available in due course?

Kirstie Corbett: Yes.

The Deputy Convener: The convener has now arrived, so, after Alex Johnstone asks the next question, I will hand over to him.

Alex Johnstone (North East Scotland) (Con): Over recent weeks, we have heard evidence from a number of people. A couple of witnesses have commented specifically on an issue that I want to explore to find out whether you have any information on it. We have been told that the increase in arrears that coincides with introduction of the underoccupancy charge does not always correlate directly to the increased charge. That is, there is evidence that arrears are building up against rent as well as against the component that is the underoccupancy charge. Of course, the other thing that has come from our evidence is that the situation differs substantially among local authorities and among landlords. Did you find any information that might assist us in looking more closely at where that is a problem and why it is a problem?

Kirstie Corbett: We did not find any such information in this survey, unfortunately. We wanted it to be as easy and straightforward for landlords as possible in order to encourage an initial response from them. So, the question that we asked around arrears was very much couched in the terms that landlords are most familiar with and which would provide them with an easily recognisable measure with which they could respond quickly. We should also bear it in mind that the information that has been given to us for the survey is not audited accounts; it is not year-end data and has not been passed by committees or boards.

Bearing those two points in mind, we went for a very straightforward question that, in essence, asked, “What is your arrears position at this point in time?” We made that measure align with

measures that landlords provided to us through the course of the year in our more standard reporting. Underneath all that, we were not able to disaggregate the aspects of arrears that arose from different causes. Our attempt at making a causal attribution was in gathering information that we could compare reasonably directly to the year-end data that we already held and that was already published. The idea was that we would be able to gather information at the end of June and compare that with an arrears position at the end of March, but we have not been able to disaggregate that information any further.

Alex Johnstone: Thank you.

The Convener (Michael McMahon): Okay. We move to Annabelle Ewing.

Annabelle Ewing (Mid Scotland and Fife) (SNP): Thank you, convener. I have a question about the general scope of the research thus far. I note that you state on page 3 of the report that

"We invited all 187 RSL and local authority landlords to complete the survey. In total 157 landlords responded".

What was the reason for the other 30 not taking the opportunity to respond to the survey? Do you feel that the uptake in terms of responses might increase for the surveys to come?

Michael Cameron: There is quite a variety of reasons why landlords did not respond; when we analysed the reasons, we identified no particular motivation for not participating. As my colleague Kirstie Corbett set out, we did not establish the survey as a regulatory return, given some of the issues around timing and how quickly we wanted responses.

We know who did and did not respond. In the next iteration of the survey we will encourage all landlords to respond. Depending on what patterns and broader impacts we see, we might consider turning this type of survey into a regular regulatory return.

Annabelle Ewing: Okay. What reasons did the non-returns encompass? Aside from the fact that the scheme is voluntary at the moment, did the reasons include landlords not being able to collate the information, for example?

Michael Cameron: The reasons that were given for not being able to complete the survey were largely administrative, rather than anything more substantial.

Annabelle Ewing: Okay. Thank you.

Linda Fabiani (East Kilbride) (SNP): I think Mr Cameron said that you have put out another call for evidence for the next pattern. I am aware that the report covers only three months, so it is a bit too soon to tell what will be the direct impacts of

the bedroom tax on tenants. You said in the report that you

"did not seek to examine the effects of landlords' own actions to address the impact. Nor did we analyse the influence of Discretionary Housing Payments".

Will you pull that information in from further studies and consultations, or will you just go straight for the kind of information that you have provided for this three-month report?

Michael Cameron: We plan to undertake surveys quarterly and we will try to keep them fairly tightly to the key statistical information that will enable us to analyse patterns and movements in respect of arrears. The type of analysis to which Linda Fabiani refers would certainly be more qualitative and would be a more substantial undertaking. We are aware that a number of organisations are conducting more detailed analyses and studies of the impacts of some of the legislative changes, so we would look to have our information complement that type of work rather than to replicate what is being done elsewhere.

Linda Fabiani: I know that one of your roles, as well as protecting tenants' interests, is

"Understanding the risks and challenges landlords face".

I am also aware that, three months down the line, there are challenges that have been taken up very well by councils. For example, South Lanarkshire Council has done a lot of work in my area, and I know that housing associations are also doing a lot of work to try to maintain people in their homes.

I am particularly concerned about community-based housing associations as landlords, because in your role as regulator you have to ensure, I presume, that they maximise their income, under the financial strictures and rules within which they operate. How does that sit in terms of governance, especially when you are talking about voluntary committee members? How does it affect policies that housing associations may take on board because they see them as protecting the interests of their tenants, and which you may see as protecting tenants' interests too, but which could be difficult to square with your role of regulating housing associations' finances and governance?

Michael Cameron: We are charged with assessing, monitoring and reporting on the financial health of registered social landlords, including housing associations that are based in communities. There is a balance to be struck between our role in protecting the interests of tenants and the role of monitoring the financial health of RSLs. We do not see those two things as being incompatible or necessarily separate, however. It is clearly in the interests of tenants that their landlord is financially healthy, is able to maintain an appropriate level of service delivery to tenants, and is able to maintain and invest in their

homes. We relate everything that we do back to our statutory objective of protecting the interests of tenants.

Linda Fabiani: I am not trying to be difficult; I am just trying to understand how you balance that. Are you saying that protecting the interests of tenants comes first?

Michael Cameron: Absolutely.

Linda Fabiani: So the role relating to landlords and governance is secondary?

Michael Cameron: What is important is that effective governance and financially healthy landlords deliver for tenants. Our focus on good governance and financial health is absolutely about protecting the interests of tenants.

Linda Fabiani: By that do you mean tenants collectively?

Michael Cameron: Yes.

Ken Macintosh (Eastwood) (Lab): I would like to pick up on a couple of points, one of which follows on from the point that Linda Fabiani just raised, about the influence of discretionary housing payments. You have not measured that, but are you aware of whether discretionary housing payments were being made when you carried out your study? Were they a factor? Were some tenants and housing associations already applying for and benefiting from discretionary housing payments?

Michael Cameron: We did not collect any information specifically on DHP. We are aware that there are a number of other studies going on into the impact of discretionary housing payments. We certainly sense, from our wider engagement with landlords, that DHP has had a mitigating impact in the first few months of the period that the survey covered, but we have not looked directly at that.

Ken Macintosh: Will you be able to take it into account in your follow-up surveys? Your new survey will be published in January. Will it measure the impact of discretionary housing payments?

Michael Cameron: We have not sought to measure the impact of any of the potential mitigating actions and measures that are in place. We wanted some consistency with the previous survey, so that we could track movements and patterns over the time of the survey, so we have not asked any question directly about DHP.

10:30

Ken Macintosh: Do you have any thoughts about the difference between the figure that you have come up with in your survey, which indicates

that removal of housing benefit and the bedroom tax will have an impact on just under 60,000, while the local authority survey's figure is just over 80,000? Which is the more accurate figure? Which one can we work with? Are they both accurate?

Kirstie Corbett: It is our understanding that the research by the Convention of Scottish Local Authorities and the Scottish Government, which identified an unpacked figure of 82,500, was done on a more administrative basis. They used working-age housing benefit recipients and tracked the data through an administrative source. They had a wider coverage of local authority areas and were able to impute the figures for those that did not respond to their survey. Only two local authorities did not respond, but COSLA and the Government were able to use other information to make up the number and provide 100 per cent coverage.

Our survey was based on data from respondents only. We are quite happy to say that it did not achieve 100 per cent coverage. On the basis of some very rough maths, it is likely that the discrepancy in coverage might well account for the difference between our 60,000 figure and the 82,500 figure.

Ken Macintosh: So, the difference is not a reflection of whether tenants are themselves identifying their RSLs as being affected by the bedroom tax.

Kirstie Corbett: That is not something that we would have pulled out or that we were aware of.

Ken Macintosh: There are a number of differences regarding the impact on both sectors, so perhaps you can enlighten me. Are there differences between the demographic spread of residents in council housing and residents in housing association accommodation? Are they more likely to be older, in which case they will not be affected by the bedroom tax? Are they more likely to be of pensionable age, in other words? Are there more people in receipt of housing benefit in one sector than in the other? Are rent levels generally higher for housing association properties than for council properties? I would have thought that they would be, in general. Could you expand on some of those differences?

Kirstie Corbett: I am not aware that there are an awful lot of such differences. Michael Cameron perhaps has more information about that.

Michael Cameron: No. We have a range of information that we have collected over a number of years, on some of the measures concerning registered social landlords, but we do not have the same information for local authorities, so we are not able to do a direct comparison. Where we have been able to compare, we have been made aware that RSLs' rents are generally a bit higher

than local authorities' rents. We have some information on the demographics for RSLs, although the data will vary significantly among individual RSLs, not least because some of them are specialist providers that provide homes for people of a particular age or demographic. There is variation within the global figure.

Ken Macintosh: As regards the impact, you got from the local authority landlords a response that was slightly different to that from the housing associations. Perhaps I am wrong to jump to this conclusion, but is the implication that local authorities have been slightly harder hit than the housing associations—that the increase in rent arrears is slightly higher for local authorities?

Kirstie Corbett: From the responses that we have, that is the case. I point out that six of the 26 local authorities that have housing stock did not respond to the survey, although that leaves a 75 per cent response rate for local authorities, which is reasonably representative. However, it is our understanding that that is the picture.

Ken Macintosh: Did all the large local authorities respond?

Kirstie Corbett: Yes.

Kevin Stewart (Aberdeen Central) (SNP): The report provides a snapshot of the first three months and page 11 shows the biggest challenges in that time. Are other challenges likely to come into play as you continue to monitor the situation? Was there anything about other challenges in the narrative that local authorities provided? I am thinking along the lines of cutting services, drawing back from capital expenditure, financial instability—particularly for smaller landlords—and the possibility that local authorities or housing associations might say that they cannot reach the Scottish housing quality standard. Is that being played out in the narrative? Will you ask about that in your second round of monitoring?

Kirstie Corbett: The things that you mention are not arising in great detail from the narrative as we understand it at the moment. We offered landlords a range of options to choose from to identify their challenges, on the basis of qualitative work that the Scottish Federation of Housing Associations did.

In our next survey, we will ask more open-ended questions, which will allow landlords to identify the challenges in a bit more detail. We hope that more detail will be provided on the kind of issues that you identified.

Kevin Stewart: Does Mr Cameron have anything to add?

Michael Cameron: Not on the findings from the survey. As the regulator, we will have a keen eye on the issues that you have raised. We will want to

understand not just the impact on rent arrears but the broader impact on landlords' capacity to deliver for tenants, given the potential risks to landlords' cash flows and revenues. We will want to understand what that might mean for impacts on planned maintenance programmes, on other service delivery to tenants and on rent levels. We will monitor those things closely in the coming period.

Kevin Stewart: The witnesses might not be able to answer my next question. As people completed the survey, were they thinking of the short-term impacts in the first three months rather than the possible long-term impacts that the bedroom tax and other welfare reforms might have on them?

Michael Cameron: People might have been thinking about that, but we cannot comment on what might have been in respondents' minds. From broader discussions with landlords, I think that they are aware of the potential longer-term impacts of the legislative changes. Many of them are starting to consider their longer-term business plans and what the impact of reductions in revenues might be on those plans. We are aware that landlords are giving this significant thought.

Kevin Stewart: Even in good times, some associations have struggled with finances. In the past, we have heard comments from the regulator about various associations. Will you as the regulator pay closer attention to the finances and to capital expenditure, because of the impacts of welfare reform?

Michael Cameron: We are a risk-based regulator, so we continually assess risks to landlords' ability to continue to deliver for their tenants. We have an annual process that will look at the financial health of registered social landlords. We have a narrower role with local authorities. We consider the financial health of registered social landlords annually by looking at not just their accounts but their financial projections.

We have just launched our annual risk assessment process and the potential impact of welfare reform on revenues is one of the top risks that we are focusing on.

Kevin Stewart: You said that it is one of the top risks. What are the others?

Michael Cameron: We will look at a range of risks. We are focusing on a couple that relate to financial health, which include the impact of increases in landlord pension contributions to fund historical liabilities from the housing association pension scheme. We are also very aware of the risk of increases in the cost of borrowing for landlords. We have a close eye on a range of financial risks, which we consider when we assess

each landlord's position. We translate that into a regulation plan if we feel that we need to engage with a landlord because they might have more exposure to such risks.

Kevin Stewart: My final question is slightly off this particular topic. It is around the reclassification of housing. During the second tranche of analysis, will you be looking at whether there has been reclassification of specialist, sheltered or amenity housing to mainstream housing to try to find more one-bedroom accommodation? Will that have an impact on the service that is provided to tenants across the country? Will you look at that kind of thing, too?

Michael Cameron: We have not included that as part of the analysis for the next iteration of the survey. We might be able to identify it through our normal annual collection of data from landlords, in which we ask about the nature and size of the accommodation. If there are any significant changes in patterns it might be possible for us to identify them through the annual data collection.

Kevin Stewart: Will you adapt your annual data collection to take due cognisance of the impact of welfare reform?

Michael Cameron: We have already issued our data collection requirements for landlords, which relate particularly to the Scottish Government's social housing charter. A number of the measures are pretty consistent with the information that we have collected through the survey. Not only will we be able to monitor that information on a quarterly basis; we will be able to track it on an annual basis as well, to give us a broader feel for movements and patterns that might be emerging.

Linda Fabiani: You talked about the risks that RSLs face. I am aware that some RSLs are small, tightly run organisations. I wonder about the effect of risks creating bigger risks in other fields. I am thinking for example of levels of debt having an on-going risk impact on the ability to borrow at reasonable rates and the ability to complete capital and maintenance programmes. Are you doing a bit of work on that to try to mitigate it and to help out?

Michael Cameron: As a regulator we certainly have a very close eye to landlords' level of debt and their revenue streams. Obviously the principal revenue stream for all landlords is rent. We are very alive to any impact on that revenue stream as a consequence of changes in benefits. We are also conscious that lenders to the sector are alive to the potential impacts on the creditworthiness of the sector as a consequence of some of the legislative changes.

10:45

The Convener: I want to follow up on something that was being discussed when I came into the room. I apologise for being late and not hearing your opening statement.

The issue of disaggregation has come up repeatedly when we have discussed how the impact of the bedroom tax, in particular, can be measured. Some people have said that it will be quite complex to break down the differentials that are emerging between arrears that already existed in the system and those that result directly from the bedroom tax. You indicate in your research that you want to see that disaggregation. Will it be difficult to get that information? It has been argued that we know the date when the bedroom tax kicked in and the patterns of rent accounts prior to that date, so we will know what changes there are to them after that date. Is it as simple as that or will a complex form of data analysis be required?

Michael Cameron: We are not seeking to break down the level of arrears into those component elements, for two reasons. First, it is not necessary for us to have that information to enable us to regulate landlords effectively. We are more interested in the aggregate level of rent arrears and the impact that it may be having on landlords' financial position.

Secondly, we see some practical difficulties for landlords in identifying different components of arrears with different reasons or origins. That is likely to become more difficult still as time goes on, and certainly as we get further into the proposed changes under the welfare reform legislation. We see some practical difficulties with landlords' being able to identify exactly which arrears relate to which particular welfare reform measures.

The Convener: When you disaggregate, what will you be looking for, then?

Michael Cameron: I clarify that we are not looking to disaggregate the arrears figures that landlords give us. We are looking for them to give us the level of arrears that they are facing at the aggregate level.

The Convener: Okay.

Kirstie Corbett: We have an additional question in our second-round survey, which went out last week. We ask exactly the same questions on rent arrears and use the same measure as in the first round, but we also ask whether landlords can identify a monetary value for arrears that arise directly from the impact of the underoccupancy charge. That is a yes or no question. If they can, we ask them to say what value they attribute to that. If they cannot, we ask them to give us some detail on what the challenges and barriers to their being able to provide that information might be.

As Michael Cameron said, we are not seeking to disaggregate the information on an on-going basis, but we are taking the opportunity to ask landlords the general question of whether they can start to identify the monetary value of arrears that arise for that reason and, if not, what the challenges might be that prevent them from doing that.

The Convener: It will be helpful to know that.

Ken Macintosh: The figure that you got back from your survey was that the vast majority of landlords—over 90 per cent—were able to identify it. Over 90 per cent said that they were confident about that.

Kirstie Corbett: Yes.

Michael Cameron: I clarify that what we asked landlords was whether they were able to estimate it. It was very much an estimate that they gave us, rather than a hard figure.

The Convener: We seem to have exhausted our questions. I found your report very interesting and I look forward to seeing the future work that you do. It might be possible that we could have you back in front of us to discuss the outcomes of that research as well. We look forward to seeing it. Thank you for your contributions.

10:49

Meeting suspended.

10:54

On resuming—

Discretionary Housing Payments

The Convener: Our second item of business is an evidence-taking session on discretionary housing payments. I welcome to the meeting Annette Finnan, head of area services (housing), South Lanarkshire Council; Cliff Dryburgh, benefits manager, City of Edinburgh Council; Susan Donald, benefits manager, Aberdeenshire Council; and Lorna Campbell, service manager revenues and benefits, Dumfries and Galloway Council.

I invite each of the panel members to make a short opening statement on the issues in their respective areas, after which I will open up the discussion to questions from members. I believe that Annette Finnan will begin.

Annette Finnan (South Lanarkshire Council): First of all, I thank the committee for inviting South Lanarkshire Council to this morning's meeting. Members have already received our written submission.

Just to give members some context, I point out that South Lanarkshire Council is the fifth largest council in Scotland and has just under 25,000 tenants, more than 60 per cent of whom receive either full or partial housing benefit. Since the introduction of the welfare reform changes in April, DHPs have played a significant role in South Lanarkshire in supporting tenants who face financial hardship as a result of the social sector size criteria restrictions. Around 5,000 of our tenants—approximately 4,000 council tenants and 1,000 RSL tenants—have been affected, and this year South Lanarkshire Council has experienced a significant rise in the number of DHP applications from 396 at the same point last year to more than 2,000, an increase of more than 400 per cent. With the Scottish Government's additional funding, we are now better placed to meet the level of demand, although I must emphasise that our DHP budget of just over £1.2 million does not meet the housing benefit shortfall.

To take account of the changes being introduced as part of the welfare reform programme, South Lanarkshire Council introduced from 1 April a revised DHP policy that has been widely publicised and promoted to encourage claims from tenants and those who support them. The council's policy is flexible, makes awards of between three and 12 months and targets priority groups, including tenants living in significantly adapted properties, customers with disabilities and people with serious health issues. So far 1,076 successful awards have been made, the majority—nearly 80 per cent—of which are to claimants who have been affected by the

underoccupancy rules. More than 900 of those households have been assisted in applying for DHP by the council's specialist benefits are changing team, which we established at the beginning of the year and which is providing a wide and varied range of support and advice to tenants affected by the welfare reform changes.

Although we have been highly proactive and have made good progress on identifying and assisting tenants in need, the current arrangements for the scheme's administration and the additional supports provided have created additional work and incurred additional costs for the council.

Following the announcement of additional funding, which has allowed the council to top up its DHP budget to the maximum level, we have made further revisions to our qualifying criteria to assist tenants who are struggling to pay the underoccupancy charge. However, we still have a large number of tenants who require support; 2,688 of the 3,868 council tenants currently affected by the underoccupancy changes owe rent arrears and the arrears of 1,639 of those tenants relate solely to the underoccupancy charge. Through DHPs, we can reduce the impact of those arrears, although I note that the DHP award will not address the long-term and continuing needs of many customers with significant prevailing health issues.

To date, the council has committed almost half of its DHP budget—more than £560,000—and we will continue to work to ensure effective targeting of the additional DHP funding to those most in need of help and to achieve maximum budget spend by the end of the financial year. Locally, however, it is too early to assess how DHPs are mitigating the impact of welfare reform and their role in preventing arrears.

As Professor Kenneth Gibb's recent research on the bedroom tax has highlighted, DHPs are playing a significant role in assisting tenants who face financial hardship and in managing arrears; however, one of our key concerns is the uncertainty around the continuity of this funding. Although the Scottish Government has pledged funding for 2014-15, we still await the Department for Work and Pensions' announcement of next year's budget and of whether local authorities will be able to carry their budgets forward. As a result, we are aiming to spend all of our budget by the end of the year.

Securing the continuation of DHP at similar funding levels, especially for the next year, will be critical in helping us and other councils to respond to the challenges of underoccupation and to mitigate not only the impact on households but the business impacts on the council.

11:00

Lorna Campbell (Dumfries and Galloway Council): I thank the committee for inviting Dumfries and Galloway Council to give evidence.

In April this year, the DWP allocation of DHP to Dumfries and Galloway was £232,000, and the council took a local decision to top that up by a further £262,000. The administration of DHP in Dumfries and Galloway sat within the benefits team but, at that point, we decided to have a discretionary spend team, dealing also with the Scottish welfare fund, to concentrate on the administration of both discretionary budgets.

At the time, we did some estimates of the impact of welfare reform in Dumfries and Galloway. That incorporated size criteria restrictions and the impact of the benefit cap, increased non-dependant deductions and the change to the local housing allowance. We estimated that the impact on our tenants in the region would be around £1.1 million, so our DHP fund would not meet the overall demand.

Our procedures at the time were primarily based on an income-and-expenditure assessment of any tenant who applied to the fund: where the expenditure was more than the income, there was an automatic award; if it was less than the income, we took priority cases, concentrating on people with disabilities in properties that were larger than their determined needs required, kinship carers, fosterers and single-parent families where there was joint care of children in homes.

With the announcement of the increased funding from the DWP in July—Dumfries and Galloway was fortunate enough to have a rural uplift of £488,000—and then the Scottish Government announcement of £970,000, the DHP fund for the area has been substantially increased. That has meant that we have twice revised our DHP policy and procedures for size criteria. We originally estimated a shortfall of £900,000 given the number of people impacted in Dumfries and Galloway. The fund means that we can now potentially meet the full need due to size criteria in Dumfries and Galloway.

We have also relaxed the financial assessments quite considerably and, for some, have removed them. That, in turn, has allowed us to relax the application process. Initially, someone had to fill in a four-page application form with a variety of questions and a full income assessment. We have been able to remove the financial assessment for those affected by the size criteria, specifically in the disabled categories, thereby making the application easier. In many cases, there is a tenant phone application, which has increased uptake.

The demand on DHP has certainly been quite considerable. We have seen an increase in applications of around 900 per cent. At this time last year, the average was 30 to 40 applications to the fund; this month alone, there have been more than 500 applications.

Dumfries and Galloway Council is a stock transfer authority, so we do not have our own housing stock. We have therefore worked closely with our RSLs in the area in developing our procedures and contacting tenants. We very much take a joint approach in contacting tenants and encouraging uptake of the DHP.

To date, we have spent over £500,000 of our allocation. That is just over 34 per cent of our allocation to the end of the year that has been committed.

Our area is quite rural, and there is quite a demand on the fund from people who are experiencing higher food and fuel bills and higher travel costs. Welfare reform is having a significant impact, but there is also increased demand because of the increased expense for households.

More than 50 per cent of the people who are impacted by the size criteria have been awarded DHP so far. We are also looking at other internal procedures to sit alongside DHP. A number of applicants may already have a housing benefit overpayment or a shortfall because of other areas of their housing benefit, with the means test. We are reviewing those areas. In the case of overpayments, for example, we will review the level of overpayment or recovery rate. If it is appropriate due to financial circumstances, we may write off an overpayment rather than apply DHP, or do both, if circumstances warrant that.

Like Annette Finnan's council, we are keen to say to tenants that although we have quite a significant fund for this year, it is a sticking plaster and there is no guarantee of what DWP funding there will be or how much Scottish Government funding will be provided come next April. We are working with tenants locally on their underlying debt or fuel poverty issues, to try to improve their situations.

Susan Donald (Aberdeenshire Council): I thank the committee for inviting Aberdeenshire Council to give evidence.

At the start of 2013, our discretionary housing payment budget was expected to be £401,738, of which the council contributed £241,043. That budget was less than half the estimated reduction in housing benefit that would arise from the introduction of the size criteria in the social rented sector and the benefit cap.

The council therefore revised its discretionary housing payment policy, and colleagues from

housing and social work were involved in drawing up the revised policy. We aimed to prioritise people who would be at risk of homelessness, the disabled, and foster and kinship carers, as well as people who were already experiencing financial difficulties, as evidenced by rent arrears. Given the limited nature of the budget, decision makers initially awarded 25, 50, 80 or 100 per cent of the shortfall, depending on the applicant's circumstances.

At the end of July, the UK Government announced revised discretionary housing payment funding, which increased our DHP budget to £1,487,063, of which £892,238 would have been expected to come from the council's budget. The Scottish Government has since allocated £883,262 to Aberdeenshire Council, to enable us to make that contribution.

As a result of the increased budget, the DHP policy was revised, and awards are now for 80 or 100 per cent of the shortfall, depending on the applicant's circumstances. The revised policy includes provision for an additional four-week extended payment of housing benefit where the claimant has moved into work and would otherwise see a reduction in their housing benefit. That will help applicants to adjust to and sustain employment, particularly if they have travel costs.

By the end of October, Aberdeenshire Council had received 809 applications for discretionary housing payments, which represents an increase of 458 per cent on the previous year. So far, we have made 712 awards and have incurred expenditure of £252,901. We have established that 805 of the households that are affected by the size criteria and 15 of the households that are affected by the benefit cap have not yet applied for discretionary housing payments, so we are running a take-up campaign, to encourage households to access DHP. To date, 309 households have been contacted, around 30 per cent of which have submitted an application. The households who have not responded will be contacted by phone and an application will be taken online.

We are working hard across a range of services to do all that we can do to encourage people to access DHP, but we are very mindful that we have a discretionary pot of money and that there is absolutely no guarantee that we will have such a level of funding as we go forward. In light of the shift to universal credit in a number of months' time, we are focusing on helping customers adjust to the fact that they will have some kind of rent liability at the end of the process—hence our decision to award 80 per cent of the shortfall in the majority of cases.

Cliff Dryburgh (City of Edinburgh Council):

Thank you for inviting City of Edinburgh Council to give evidence.

For 2013-14, the council aligned DHP policy with the DWP contribution of £1.4 million. In other words, there was no top-up. We provided for a lot of categories in which DHP might be paid, because the policy was very much tailored to the lower contribution. That spend had been monitored very strictly until around the end of September. By that point, we had paid out or committed approximately £800,000 of the £1.4 million. Our refusal rate at that time was around 35 per cent, and it was felt that, in 95 per cent of those cases, the refusal had been given because people could afford to bridge the gap.

Following the announcement of additional funding, the council's budget was topped up to £3.555 million. Right there and then, the council allowed delegated powers to alter the policy, ahead of a revised policy going to committee on 5 November. That meant that a number of the "maybe" awards that had been made under the previous policy were now moved into the "will pay" category to maximise the award of DHP. In addition, we relaxed the income and expenditure rules significantly.

Having started from a lower base without the top-up, we have now spent a third of our £3.555 million and we are taking action to spend the remainder of the money by the end of the financial year; that is the key point. We have just finished looking at revising the 2,500 awards that we made up to the end of September in line with the new policy, and we are contacting individually the 2,500 tenants who did not apply—in other words, those who were affected by underoccupancy but did not apply for DHP. We have sent them a letter with an application and a pre-paid envelope, and our housing officers are contacting them or knocking on their door to actively encourage them to apply for DHP. As I said, we hope that everybody will apply, and that will determine whether we can spend the £3.555 million by the end of year.

I reflect my colleagues' concerns about funding issues and their impact on people's willingness to change in line with welfare reform. In April this year we set up a dedicated team to deal with DHP, in order to ensure fairness and uniformity of decision making. It was a team of four at the time and I have had to increase it to 10 to deal with the review of the existing awards and in anticipation of the doubling of the number of awards between now and the end of the financial year.

The Convener: I thank all four of you for your contributions. It is clear from them all, and especially from the paper that South Lanarkshire Council produced, which was very helpful, that

there is a huge disparity between the availability of and demand for DHP. Not all local authorities found the resources to top up to the maximum at the outset. Some—or all, I think—have now been given the additional funds that the Scottish Government found.

Can you explain why, given that you were all aware of the demand, it was not felt possible to top up to the maximum at the outset?

Annette Finnan: In South Lanarkshire, no decision was made at the outset to top up to the maximum. It was decided and agreed that we would have a monitoring brief on the level of demand, which continued during the summer months as applications increased. At that point, the council was able to consider whether we should top up, and we were about to top up through our committee approval group with additional finance for that purpose when we received additional funding from the Scottish Government. We had already taken steps to increase resources for encouraging tenants to apply for DHP and for processing applications.

We had made provision to process an increased number of applications, but we had not topped up the budget because we were waiting to see what the demand was going to be.

11:15

Lorna Campbell: The situation was similar in Dumfries and Galloway Council in that we had committed to top up the DHP budget by £262,000, which was not the full top-up allocation. I would not say that we had a pot of money, but we had money set aside to deal with the impacts of welfare reform and a considerable amount of that was put into advice services in preparation for the overall impacts going forward. The £262,000 was committed to DHP with a view to our monitoring it going forward, and it is reviewed on a monthly basis by a council committee that looks at the current spend rate. That was prior to the full top-up being made available to us in October.

The Convener: If you had already found a percentage of the money to top up from your own resources and the Scottish Government then provided the amount that would allow the maximum top-up, did the money that you had already allocated stay in that area or has it been dissipated out into wider council budgets?

Lorna Campbell: We are currently working on a report on that. Because the money from the Scottish Government has taken us up to our limit, we cannot use what the council originally set aside to top up the budget further. However, it will remain within the welfare reform remit and we are looking at using some of that money to support the discretionary spend team. As colleagues have

said, the administrative burden of all the extra funding has been considerable, so we are considering using some of the money to bolster that team. We will also have dedicated money advice officers who will visit applicants and look at the issues behind their applications.

The Convener: I was not singling out Dumfries and Galloway Council with my question. I will ask about the administrative costs, but first I wonder whether anybody else can answer my question. Where has the money that was already available gone now that the Scottish Government has made funding available? I know of at least one local authority that topped up the DHP budget to its maximum and had an additional housing support fund because it knew that the demand was going to be great. Although, technically, the DHP budget can be increased only by 150 per cent, other local authorities found that 150 per cent and a bit more. Is it likely that your local authorities will do the same?

Cliff Dryburgh: Very early in the budget process, the City of Edinburgh Council took the decision not to top up but, as one of my colleagues here said, to wait and see what the demand was and to monitor it rigidly on a monthly basis. Ahead of the Scottish Government's announcement, there was a lot of discussion about whether or not to top up, but it did not happen.

Susan Donald: In June, Aberdeenshire Council took the decision to top up the budget to its full allocation of £241,043. The council set out clearly, from 1 April, that it was always its intention to ask for that money, but we wanted to see what the demand was going to be.

The Convener: That is fine. I just wanted to get an idea of the thinking behind the original decisions on topping up.

That brings me to my second question. You have talked about the increase in demand or the increase in the number of people who are affected, which has required the criteria to be changed in some cases and has increased the amount of payments. How much has that cost local authorities in additional administration, and has that impacted on your ability to get money to those people who require support?

Annette Finnan: We have a dedicated benefits are changing tenant liaison team that consists of 10 members of staff, most of whom worked in the housing field and are working proactively to encourage tenants to apply. That is resource intensive because it involves face-to-face visits and going out to see tenants in all parts of South Lanarkshire. It involves dealing with applicants on the phone as well as making assessments of their financial situations and levels of hardship before

making applications for them or assisting them to make them.

We do not have a backlog of DHP applications, but the 400 per cent increase has led to an increased administrative burden on the benefits part of our service, and we have increased by four the number of staff who merely process applications and put the benefit into applicants' benefit accounts.

There has also been increased administration in monitoring not only the level of uptake of DHP but the impact on rent arrears. That is resource intensive as well.

We have also provided additional permanent and temporary money matters advice staff, who run the gamut from giving money and budgeting advice, encouraging tenants to apply for assistance from DHP or the Scottish welfare fund to handling the admin process of placing the DHP into applicants' and tenants' rent accounts.

The Convener: Cliff, you mentioned that you had already added a member of staff. Are you likely to consider that again? Is the demand increasing?

Cliff Dryburgh: As I said, we formed a dedicated team of four in April but, to get over the initial increase, I drafted people in from my benefits processing teams to ensure that we did not end up with a big backlog. Once we got past that hump in April or May, those processing people went back.

When the additional funding was awarded, there was no way that we could cope with mainline benefits processing and the amount of DHP, so we used some of the additional Scottish Government funding for additional staff and increased our DHP staff by two and a half times to deal with the new hump of the additional awards. We will have to see how that goes.

The Convener: Is it pretty much the same picture with other authorities?

Susan Donald: We appointed slightly more officers to administer the Scottish welfare fund than was required with the idea of having the same group of staff administer the DHP. In addition, we reprioritised workload for the existing benefits staff. We do not have a backlog of discretionary housing payments as such but, given the fact that we are in the middle of the take-up campaign, we expect another increase in the number of applications. We will, perhaps, provide opportunities for staff to work extra hours to pick that up.

Jamie Hepburn (Cumbernauld and Kilsyth) (SNP): I thank the witnesses for their evidence. A number of them have mentioned the importance of the future funding levels for DHP. Annette Finnan,

I think, spoke about the importance of trying to secure the same level of funding as we have just now. The Scottish Government has committed to that, subject to the Parliament's approval of its budget. However, my understanding is that the DWP was always planning to squeeze the amount of money going forward. Are local authorities in direct dialogue with the DWP? If so, what is it telling them about its plans?

Annette Finnan: Colleagues from South Lanarkshire Council who are in dialogue with the DWP are not able to give me and the housing service an indication of exactly when it will make its announcement. However, my understanding is that it aims to squeeze the funding, and a 10 per cent reduction has been mooted. I do not know whether that is accurate, but it is what I have heard. I hope that that will not transpire.

There are other challenges relating to not only whatever percentage cut might be made and the impact that that would have on the funding from Scottish Government but the differences that resulted from the formula that was used to calculate DHP across Scotland. Different local authorities were awarded different levels of DHP. In South Lanarkshire Council, we have benefited from being able to use the entirety of the historical DHP award that we have been given. That has had an impact on our award this year, but it certainly does not cover the demand from those who experience a shortfall in housing benefit.

Jamie Hepburn: I will come back to demand, because you provide some fairly stark figures on that. Are the other local authorities aware of any dialogue with the DWP? If so, does what they have heard tally with what Annette Finnan said?

Cliff Dryburgh: I can only echo what my colleague said. We are not aware of any figures. Historically, if a council spends up to its DWP contribution, it tends to get the same again, which is perhaps a strange way to allocate funding.

Jamie Hepburn: Are we expecting DWP to stick to that approach this time, given what it has said about its intentions to squeeze funding?

Cliff Dryburgh: I do not know whether it will take 10 per cent off and allocate the remainder on the basis of what has been spent. We have not been told.

Jamie Hepburn: I hear the point that you are making.

Susan Donald: I am not aware of any discussions. I fully expect that it will be December or January before there is an announcement.

Jamie Hepburn: The witnesses should feel free to say that they cannot possibly answer this question, but are they hopeful about future DHP funding levels? What is their expectation?

Susan Donald: Aberdeenshire Council spent £20,602 on DHP last year; we are working hard to ensure that we spend at least the DWP allocation this year.

Jamie Hepburn: I presume that every local authority will do that if that is how the funding has been allocated historically, but I also presume that the DWP will not fund on the basis of previous allocations if its intention is to squeeze hard. Feel free to say that you are unable to answer my question if you do not feel that you can, but are you hopeful that the DWP will not squeeze discretionary housing payment funding?

Cliff Dryburgh: DHP is supposed to be a temporary measure while people change their circumstances—whether they can do so is a completely separate argument, but their circumstances may change if they gain employment, downsize, get a lodger in or whatever. I would have thought that the backdrop is that change is expected and therefore the same amount of DHP would not be needed in the future. That is what I take from the situation, but we await the announcement.

Jamie Hepburn: We have probably explored that issue as usefully as it can be.

South Lanarkshire Council's submission is very helpful. It says:

"As at 8 November 2013, South Lanarkshire Council had received 2,081 applications for DHP, of which 1,918 have been processed. This compares to only 396 applications received for the same period last year representing an increase of 425%."

I thought that that was an astronomical figure until Lorna Campbell said that Dumfries and Galloway Council has experienced a 900% increase.

I ask Lorna Campbell whether she is surprised by that stark increase. I also ask the other local authorities to pass on their experiences.

Lorna Campbell: I am not surprised by the level of demand. Last year's DHP allocation was £75,000, which we spent. Given demand relating to the size criteria, we anticipated that we would be inundated with applications. As of last week, we have just over 2,500 applications.

Jamie Hepburn: My next question is for Susan Donald. You may not have the figure to hand, but what is the percentage increase in demand in Aberdeenshire?

Susan Donald: We have had a 458 per cent increase in applications, from 145 to 809. The increase was anticipated; perhaps what was not anticipated is the fact that a significant number of those affected by the size criteria have still not applied for DHP despite an extensive campaign to communicate its availability, which included

training for those who support vulnerable households.

Jamie Hepburn: Notwithstanding that, you experienced a 458 per cent increase.

Susan Donald: Yes.

Jamie Hepburn: Does Cliff Dryburgh have any figures?

Cliff Dryburgh: The application rate increase is just over 500 per cent. As I said, the key point is that 50 per cent of those affected have yet to apply, although not as a result of lack of contact. I mentioned that we have sent out individual applications with pre-paid envelopes, and I am told by my housing colleagues that all sorts of contact is being made. We have even tried to divide the 2,500 cases that we have left across the housing officer case load, so that housing officers can knock on people's doors, although quite often people are not in. A large effort has been made to get people to engage; whether they do will be key to whether we spend the money by the end of the year.

Jamie Hepburn: This is my final question. I noted from South Lanarkshire Council's paper that despite the huge increase in the number of applications, the success rate is fairly stable. It is down slightly, but not that much, from 80 per cent for the 396 applications received last year to 76.5 per cent for the 1,918 applications that have been processed up to 8 November this year. Notwithstanding the huge increase in the number of applications, is the success rate fairly stable from last year to this year in other local authorities?

11:30

Susan Donald: Aberdeenshire's success rate is a lot higher this year. In 2012-13, 53 of the 145 applications were successful; this year, out of the 761 that were processed by the end of October, 712 were successful.

Lorna Campbell: Dumfries and Galloway's figures are pretty similar. At the start of the year, we were probably looking at a 50 per cent success rate, but with the increased funding we are now looking at an 85 or 90 per cent success rate.

Cliff Dryburgh: We had a 65 per cent success rate, but just looking at October on its own, we now have an 80 per cent success rate, and I expect that to rise to at least 90 per cent.

Jamie Hepburn: So the success rate is higher in other local authorities. That is useful. Thank you.

Linda Fabiani: I have a quick question to follow up on one of Jamie Hepburn's questions. Annette Finnan said that a significant number of people

have not engaged, and others have said the same for other areas. Are those people all in arrears?

Annette Finnan: From South Lanarkshire's point of view, no. A substantial number of tenants who have had their housing benefit reduced because of the underoccupancy charge are in arrears but have not engaged. We are focusing on that group of tenants and targeting them. However, there are also tenants who have not engaged who are making the payments. That is the unknown—we do not know what hardship those tenants are in and whether they would qualify for some assistance.

We are seeing through DHP and payments that a quarter of our affected tenants have nil arrears. One of the difficulties is separating out the figures, but those people are not coming forward for help. Also, a significant proportion of those who are in arrears have still not engaged. In September, we had a look at South Lanarkshire tenants who owe in excess of £200 more than the underoccupancy deduction and found that only 15 per cent of those tenants had engaged with us in terms of getting assistance. We are focusing on all our affected tenants, but we are specifically trying to reach some of the harder-to-reach tenants who are struggling financially and are in arrears.

Linda Fabiani: Is that the general situation for all councils? I think that Cliff Dryburgh mentioned that 50 per cent had not engaged.

Cliff Dryburgh: Fifty per cent across all sectors who have been affected by the underoccupancy charge have not applied for DHP. They are already the target of our big push, which will continue in the coming months.

Linda Fabiani: That relates to what we were talking about with the Scottish Housing Regulator, which is that it is very difficult to get any qualitative information for a period of only three months. We will get it only as time goes on and we see the effects build up.

It was clear from the SHR's report that housing stock availability was local authorities' most commonly selected challenge. I know from meeting Lorna Campbell previously that there is a particular issue in Dumfries and Galloway with one-bedroom properties. Even if people are willing to move and can be helped to move, it is impossible for them to move because the stock is just not there. How much impact does that have in Dumfries and Galloway? How much discretionary housing payment is used in such scenarios?

Lorna Campbell: RSLs in our area have a significant lack of one-bedroom properties. When someone applies for DHP, one of the big issues is that there is no opportunity to move.

Of our DHP spend, 80 per cent goes to people who are affected by the size criteria, but I cannot hone that down further to say whether the issue is size criteria because someone cannot move. There are a variety of reasons.

Linda Fabiani: Is that an issue in other places? I am thinking about one-bedroom properties in particular.

Annette Finnan: In South Lanarkshire, one-bedroom properties make up only 25 per cent of our stock. The percentage turnover has been slightly higher in the past three years—there has been turnover of between 33 and 36 per cent of one-bedroom properties. However, that in no way equates to the number of tenants who are affected by the underoccupancy charge and who, if they wanted to, would not be able to downsize, not only because of availability but because of location.

On the drivers for folk to want to move, there are bigger pulls on them to stay where they are and try to cope with making the payments than to apply to downsize.

We have introduced a letting initiative to give priority to anyone affected by the changes who wishes to downsize, but we have not been inundated with applicants who wish to make that change. We are able, in a small way, to facilitate that change. Given that property turnover is not necessarily of the house type or in the areas that applicants are looking for, the volume of turnover is not helping the issue.

Susan Donald: We have similar problems in Aberdeenshire. As we are a large rural authority, there is a shortage of one-bedroom properties, which is the size of property that most households that are affected by the size criteria would look for. The majority of our DHP applications are down to the size criteria but I, too, cannot not say within that whether that relates to people who would not move. In the engagement exercise that we did in the run-up to the introduction of the size criteria, most households indicated that they did not want to move. Rather than move out of the community, they felt that they would either be able to cope with the shortfall or revisit their household budgets.

Cliff Dryburgh: Edinburgh is in the same position. Close to 90 per cent of DHP applications relate to underoccupancy.

Kevin Stewart: During the course of welfare reform, we have heard a lot from ministers in Westminster that they are trying to make the system fairer—which many would dispute—and cut down on bureaucracy in the benefits system. However, today all of you have described quite a large increase in administration staff—whom I would not class as bureaucrats—to help you to deal with the onslaught that you obviously face. I know that it is early days, but do you know yet the

additional cost of that increase in administration staff? If possible, could you give us an idea how much that will cost you over a year?

Annette Finnan: Some of the duties of the additional staff that we have engaged relate to encouraging the uptake of DHP. We have an additional 10 staff in our benefits are changing team, which has cost us almost £300,000. We have also appointed an additional four members of staff to the DHP processing team, which has cost more than £100,000. Our money matters advice service, which, as I said, sits within social work services, has recruited additional staff, two of whom are permanent and about 10 or 12 of whom are temporary. We have a variety of sources of funding for that. I do not know the cost of that but given the numbers involved, it is certainly significant.

On top of that, although we have not recruited additional staff for this, staff are working additional hours in an effort to engage with tenants not only on applications for DHP, but to provide them with wider advice and to engage with them on their rent arrears and their rent accounts. Staff are working additional hours to do that, which we are having to fund.

Kevin Stewart: In your excellent submission, you say that you monitor the DHP situation every week. Is South Lanarkshire Council committed to monitoring the additional staffing cost that the change in policy has cost it?

Annette Finnan: As far as the additional burden is concerned, the costs that I have outlined are the visible costs of new, additional staff. Thus far, we have not looked at the additional hours that people are working. When we are asked to comment on the additional burden, whether by the committee or by COSLA, we will have to guesstimate the amount of additional resource that we are allocating to that. At the corporate level, South Lanarkshire Council is trying to look at the full cost of the additional burden. That exercise is on-going.

Lorna Campbell: We have five extra full-time members of staff who are working on discretionary housing payments. We know that that has a cost of £140,000. By the time we add in the cost of having to make contact with and write to tenants and the cost of the extra administration, the figure will probably come in at around £250,000. Because that sits with a specialised discretionary budget team that had a specific budget at the start of the year, we should know by the end of the year how much it has cost Dumfries and Galloway Council to administer the extra fund.

Susan Donald: We have not taken on a large number of additional staff to administer discretionary housing payments. That work has always been part and parcel of the existing benefit

officers' role. We have tended to reprioritise our work and to look at some of our systems and processes to free up resources. In particular, we have looked at the cross-service working that we do with a view to removing elements of duplication, so that housing visitors have a discussion about DHP when they go out, and ensuring that we share information with various services to allow us to take a much more holistic approach to the customer.

Cliff Dryburgh: I can only answer specifically on the area of benefits processing. I mentioned the six additional staff, whose cost comes to around £150,000. However, as the authorities of my colleagues have done, we have pulled in people who deal with the Scottish welfare fund to sift and review cases. Other benefits processing staff have been used to deal with peaks in demand. I mentioned housing officers and the push to engage with people. Use is being made of citizens advice services, too. I do not think that the City of Edinburgh Council has a complete picture of the additional cost at the moment.

Kevin Stewart: Again, this sounds like the shunting of costs by Westminster on to local authorities and the Scottish Parliament.

An issue that has resonated throughout the meeting is the amount of co-operation that benefits staff and housing officers are involved in. As Cliff Dryburgh mentioned, citizens advice services are involved in that, too. What pressures are on your staff at the moment? We hear a lot about the pressures that are on folk who are affected by the welfare reforms, but sometimes we do not take due cognisance of the position of staff, who, through no fault of their own, are having to pick up the pieces. What is morale like in your offices? What additional help are you providing to help them through what are difficult circumstances for them to deal with?

11:45

Annette Finnan: Across the breadth of our service, in housing and benefits, we have seen an increase in the workload and in the flexibility and resilience that are required from staff as we have seen a number of changes in legislation and other areas in which we expected changes to have happened by now. We expected that universal credit would have been introduced, but that has been delayed.

There has also been a shift in the amount of money that we have had available and how we approach engaging with tenants who we thought would have engaged with us more readily. As I said, that has resulted in staff having to be more resilient and having to put in that effort.

We have also had to look at more training and support for staff. Our benefits are changing team is formed essentially of housing officers, including some staff who were following benefits. That cross-fertilisation of knowledge and experience of benefit and welfare awareness for housing officers, along with the work on money advice, debt advice and looking at fuel costs as part of the holistic approach that they are having to take, has meant that we have had to train and develop staff as we have gone on. That has had to happen both before and since April because of the shifting position.

There is no doubt that welfare reform is impacting on us. We are halfway through the year and still facing big challenges in engaging with the remainder of the people who have not applied for DHP and who have not yet spoken to us or contacted us.

There is also the challenge caused by the increase in rent arrears and that income not being available to the council. Staff are aware of that, and it must have an impact on them.

Kevin Stewart: You talked about resilience. We can all be resilient for a while, particularly if we can see a light at the end of the tunnel, but, when they cannot see that light, it often has an effect on folk.

From what I have heard from other places, I am concerned about the impact that reforms are having on folks who are having to deal with folk who are losing benefit and, in some cases, are in a real state. I just wonder whether, at some stage in the future, you will be looking at how you can put in place coping mechanisms so that you do not end up with unfit staff who have been majorly affected by the change.

Annette Finnan: We are certainly providing additional training, development and support to our staff to enable them to deal with the challenges that welfare reform brings. Many in our team who are managing to engage with tenants are getting a great sense of their ability to deliver change and help. It is a matter of encouraging staff to continue with what they are doing and to share that with others and to encourage them to apply—not to be afraid to approach the council.

Staff get a great sense of satisfaction out of being able to make a difference to those who they are helping, but I certainly take on board the point that we need to continue to support staff who are doing something slightly different from this time last year in delivering both a housing service and a benefits service.

Lorna Campbell: Our front-line staff and housing benefit administration staff are really feeling the pressure of the changes. Historically, benefit staff are used to change because there is constant change in the benefits world. However,

the level of change this year has been unprecedented. They have to take that on board, as well as the fact that they might not have a future in housing benefit. It therefore has been quite difficult for staff on the front line.

Dumfries and Galloway Council is quite fortunate that a lot of staff who are working in benefits have been there for a long time. They are very experienced and they have taken the changes on board and continued to deliver a good service. However, we can see every day how difficult it is for staff: they have concerns for their own futures, and they are dealing with tenants and customers who are in very difficult situations. The Scottish welfare fund team and the DHP team are having to deal with difficult customers and situations every day, and they find it hard.

We have put procedures in place with our human resources teams for dealing with occupational therapy referrals to support any staff who are finding the situation difficult. We monitor maximising attendance and any sickness levels to ensure that, if staff are feeling the pressure, they have a route out of it. We are very conscious of the situation.

Susan Donald: I reiterate what Annette Finnan and Lorna Campbell said. We have put in place training and development programmes for staff related to welfare reform. The wider welfare reform programme is a source of anxiety for staff, who also have to deal with the increased workload and pace of change.

We have worked closely with human resources colleagues to look at ways in which we can support staff through our employer assistance scheme. We are making sure that we have mechanisms in place to spot the early warning signs and make staff aware of the scheme, so that they can be referred on to it if necessary.

Over the years, benefits staff have been very used to change, so it is perhaps easy to underestimate how big a change this might be and how it might affect them. However, they are committed to delivering the best service that they can and to delivering the best information to the customer that they can. It is important that we put things in place to allow them to do that, so that they can get that sense of satisfaction from their job.

Cliff Dryburgh: I echo what my colleagues are saying. I am sure that, probably not longer than a year ago, we all expected that we would not have new housing benefit claims anymore. The timetable keeps shifting, which makes it difficult.

Most of us would agree that it takes a minimum of six to nine months to train somebody in benefits. On the back of that, the DWP expects us to be very accurate when we award benefits. If we

are not accurate, there are big financial penalties. There are quite a lot of conflicting pressures.

The shifting timetable makes it difficult to plan. If I cannot get people up to speed, and turnover is higher, it has a big impact on staff. Benefits that people thought were disappearing are now not. How do we bridge that gap? It is not an easy time.

Annabelle Ewing: In its written submission, South Lanarkshire Council said:

"As a result of the additional funding recently provided by the Scottish Government, a review of the hardship test has been carried out and the qualifying criteria reduced. Applications which were refused due to the customer not meeting the criteria within the original hardship test are currently being reviewed and DHP will be awarded on the basis of the revised test."

From our discussions this morning I understand that that is the case across the board. My concern relates to what happens next. Jamie Hepburn asked about looking to the future and the anticipated DWP funding reductions. If such reductions are made, there will be concomitant reductions in what the Scottish Government can do, in terms of the applicable Westminster legislation.

Good work is taking place with the relaxed restrictions, and your staff are working with the new revised guidelines and looking at previous cases. What planning is going into a scenario in which all that has to change again because of a reduced budget?

You have already taken excellent steps to be flexible and adapt to funding that has become available. However, all the signs are that the DWP and the UK Government will reduce funding, which in turn will lead to a reduction in funding that can be added by the Scottish Government. Where will that leave the good work that is currently being done, in which thresholds have been reduced and more people qualify? What planning is taking place?

You have only just introduced those changes, but it is a fast-moving scene, so what thought is being given to what might have to be done in the next year or so?

Susan Donald: We are planning to revise our discretionary housing payment policy. We keep a close eye on whether it is achieving what we want it to do.

By awarding 80 per cent of the shortfall, we built in the ability to reduce that percentage if necessary. At the start, when we thought we had a lot less money to spend, our range of awards was anything from 25 to 100 per cent, to take account of the fact that at that time we thought that we were going to have to make a small pot of money stretch as far as it possibly could.

We will adopt that same process should we find that the budgets are cut next time around. The decision to do that might not be particularly palatable, but the aim is to offer as much assistance as we can to the greatest range of households affected.

Annabelle Ewing: Before the other witnesses come in on that—if they wish to do so—I point out that universal credit, which is still apparently in the pipeline, could only compound the impact of any reduction by the DWP in the availability of DHP.

Cliff Dryburgh: I can reflect a similar position in Edinburgh, where we started off with the baseline budget and the DWP contribution. At that point, we had put in six-month reviews, in which we tried to educate or guide people to change what they spent some of their money on, particularly as far as luxuries were concerned.

In our policy today, we still reserve the right to advise a claimant to reduce expenditure if we think that it is unreasonably high. That can be a difficult subject to broach on discussion, but our approach is similar to what Susan Donald has said: in the realisation that we did not have DHP funding at the previous level, the policy would change back to using shorter review periods and would focus more closely on income and expenditure accounts.

Lorna Campbell: The situation in Dumfries and Galloway is similar to what my two colleagues have described. We would revert back to what our policy was at the start of the year, depending on the level of funding. That is the key for us: it is a matter of waiting for the announcements of how much funding is available, and then we will devise our policy in a suitable way.

Similarly to what Cliff Dryburgh has said about income and expenditure, we will consider some expenditures that are deemed to be on luxury items—or it might be perceived that something could be done about some expenditures. As Cliff said, that is not an easy conversation to have with anyone. It is quite invasive, and it is not particularly palatable for staff or for the client.

Annette Finnan: I echo what colleagues have said. Our policy approach has already been revised twice this calendar year. Further revisions will no doubt have to be made if the funding levels are reduced—revisions not only to what tests and criteria we apply but also to the length of the award that we are able to give against each grouping.

Annabelle Ewing: Is there any suggestion of flexibility coming down the line as regards the application by the DWP of its rules and guidance? Is there a suggestion that there will be any flexibility with respect to the application of the rules, the definitions or the carry-forward rules?

Have any representations been made in that respect to give local authorities some greater discretion, at least, in what they do? You might not be aware of any such representations having been made.

Susan Donald: No, we are not aware of anything.

Ken Macintosh: I wish to follow up a line of questioning that has already been pursued by my colleagues regarding who does not receive the awards. You have clearly identified the priorities that you have given to people with disabilities, people who have had housing adaptations, people who are near retirement and others. If up to 50 per cent of those who might qualify are not coming forward at all, is that a cross-section of all those who qualify, or do those who are not coming forward have certain characteristics? I think, Mr Dryburgh, that you said that you wrote to 2,500 people. Having identified those 2,500, are you able to describe them in any way? Do they have any particular characterisation?

Cliff Dryburgh: No. We are able to identify only those who are affected by underoccupancy and who have not applied. That is what we are aiming at. There is no specific breakdown.

Ken Macintosh: The witnesses from the other authorities are indicating the same. I think that the DWP asks for monitoring information now. I understand that it was asking for information to be sent back in October. Does it ask for any information, even anecdotal, on those who are not applying?

Susan Donald: No. It asked for information only on the awards.

12:00

Ken Macintosh: Right. We can estimate the number of people who are not applying, but we do not know any more about the unmet need.

To what extent are awards time limited? They were designed to be transitional payments, and I gather that you award DHP for six weeks, three months, six months or longer. A picture seems to be emerging of you making awards and then renewing them. Is that what is happening? Have awards of DHP been ended? In other words, has anyone had an award for six months and then that was it?

Susan Donald: In Aberdeenshire, the maximum period for an award is 12 months. At the end of the period we would review the situation and consider whether it was appropriate to continue with the award. An award might be for a shorter period. For example, if someone was about to move to a smaller property, to which no size-criteria reduction would apply, in a month or six weeks'

time, the award would last for a month or six weeks and then stop.

We tend to find that we have a high turnover. People's circumstances change—that is an effect of Aberdeenshire's economic buoyancy. Such issues might affect an award when they are taken into account.

Ken Macintosh: What about other areas?

Annette Finnan: In South Lanarkshire, most of the awards in April were for three or six months. At the end of each period, we review the circumstances and make a re-award if they have remained the same or worsened. Many applicants who were awarded payments for three months have now received payments for six months; likewise, people who were awarded six months of DHP will receive 12 months.

Ken Macintosh: What will happen after 12 months?

Annette Finnan: We will have to reassess our applicants on the basis of the criteria that are set to reflect next year's revised budget.

Ken Macintosh: Do you have the discretion to award DHP again—for three, six or 12 months—if someone has already had 12 months of payments?

Lorna Campbell: Yes. We can award DHP for a longer period. However, I think that most authorities will award DHP to the end of the financial year and wait to see what funding will be available in the next year. We do not want to make a commitment to a tenant that we might not be in a financial position to meet, given that we do not know what our funding will be. Dumfries and Galloway Council—like most authorities, I think—will make a maximum award of 12 months up to 31 March and not beyond, until we know what our funding arrangements will be.

Ken Macintosh: What is your thinking? On what basis are you making awards? You have put a lot of effort into identifying people in need and making awards. Do you expect those people to have adjusted or to have found smaller accommodation by the end of the award period, or is the problem being deferred or postponed?

Lorna Campbell: Much will depend on individual circumstances. For some tenants, we know that their circumstances will not change and that potentially we will re-award DHP. In other cases, tenants might have the opportunity to change their circumstances, by gaining employment, moving or resolving a debt issue. There can be a variety of reasons for making a short-term or longer-term award.

Ken Macintosh: I understand that. I was thinking more about local authorities' policy. Are you planning on the basis that most, some or a

minority of people will no longer qualify for awards?

Lorna Campbell: I can speak only for Dumfries and Galloway but at this point everything depends on the funding arrangements. We know that a certain group of people will potentially need an extension to their DHP next year; the question is whether we will be in a financial position to make the award. We must await announcements on funding before we can decide how many awards we can automatically carry forward.

Ken Macintosh: Is that the case for all local authorities? You are working on a basis of how much money you have to allocate, rather than how many people will have moved off.

Susan Donald: Yes.

Cliff Dryburgh: Very much so. As I said, we started with the minimum DWP contribution, so we had quite rigid financial restrictions and short review periods. That has changed for the moment, but we are waiting to hear what funding there will be in 2014-15.

The Convener: There are no other questions, so I thank all the witnesses for their evidence. Like the deputy convener, when I saw the paper from South Lanarkshire Council I was gobsmacked by the increase that it indicated. However, the further evidence that we have heard this morning has shown the changes that are taking place at local authority level and that the demand on discretionary housing payments is becoming astronomical. I wonder how widely that is known. The local authorities are spending more on bureaucracy to administer the huge increases in demand. There is also the pressure on local authority staff because of the additional work. We must ensure that we ask questions around that.

I hope that the committee will agree that we should write to Iain Duncan Smith to ensure that he is aware of the evidence on the impacts that has been presented to the committee this morning and to ask him to respond to that. Is that agreed?

Members indicated agreement.

Annabelle Ewing: We can also ask him what the budget will be for next year.

The Convener: We should ensure that we ask that question on behalf of our local authorities so that they can do a bit of planning and look forward to having more clarity on the issue.

The witnesses' evidence has been very helpful to the committee, so I thank them very much for that. I suspend the meeting for a couple of minutes before we consider the next agenda item.

12:06

Meeting suspended.

12:08

On resuming—

Petition

Evictions Due to Underoccupation Deductions (PE1468)

The Convener: The third and final item of business today is consideration of what action to take on PE1468. We took evidence at our meeting last week on the petition from Mike Dailly and other representatives from Govan Law Centre as well as from COSLA, the Chartered Institute of Housing, the Scottish Federation of Housing Associations and the Association of Local Authority Chief Housing Officers.

Since the petition was lodged in March 2013, the petitioner has been successful in having the proposal in the petition adopted by Jackie Baillie MSP as a potential member's bill. Although it would be for the Parliamentary Bureau to decide, it seems likely that the Welfare Reform Committee would consider any such bill.

The committee will shortly consider a report on the subject matter of the petition—the bedroom tax—and it could incorporate evidence that we have received on the petition in the report. So, the recommendation is that the Welfare Reform Committee take no further action on petition PE1468 and close our consideration of it. What do members think?

Linda Fabiani: I agree with the recommendation, but I would like clarification on procedure. I presume that the Public Petitions Committee sent the petition to us. Do we have to respond to that committee or do we just incorporate the evidence in our report and say that that is our response?

Simon Watkins (Clerk): We would close our consideration of the petition and inform the Public Petitions Committee that we had done that.

Jamie Hepburn: We would not be making a formal report, would we?

Linda Fabiani: No—we would incorporate the evidence on the petition in our bedroom tax report.

The Convener: The answer to Linda Fabiani's question is that we should, out of courtesy, inform the Public Petitions Committee of whatever we decide this morning. We can use the information that we have got through consideration of the petition as we go forward with our inquiry.

Linda Fabiani: I would be perfectly happy to tell the Public Petitions Committee that we have a bedroom tax report coming out and that we will

incorporate in that report any evidence that we have received.

Ken Macintosh: I have to say that I am very surprised by the recommendation, given the evidence that we heard last week, and I certainly do not agree with it. On the first point, it would be odd to rely on a private member's bill as a vehicle. If we think that the issue is so important that we might need to legislate on it, to rely on a private member to take that forward is an unsatisfactory way of tackling the issue. Private members' bills are a bit of a lottery, to put it mildly. There are many reasons why they are promoted, or not promoted, and such bills are certainly no substitute for Government action or committee action. For the committee to rely on somebody else who is not a member of the committee—much as I wish Jackie Baillie every success in her endeavour—would not in any way be a satisfactory conclusion.

That aside, last week's evidence left me confused—that is the politest way of putting it—about the difference between the petitioner's call for legislation to guarantee that there would be no evictions as a result of the bedroom tax and the Scottish Government's support for councils' no-evictions policy. I am entirely baffled as to the difference between the two, and I think that for the committee to let that pass now, and not at the very least to write to the Minister for Housing and Welfare to ask for a specific explanation on that point in relation to the petition, would be ridiculous. The petitioner and the public would also be baffled as to why we would not take any further action.

The Convener: Ken Macintosh recommends that we write to the Scottish Government on that point.

Annabelle Ewing: I would like to comment on what the clerk's paper is proposing, which I think is perfectly reasonable. I am not baffled; I thought that the evidence was clear on that and on many other points. There was a preponderance last week of evidence on the issues and the technical difficulties in proceeding as has been suggested by the petitioner.

The recommendation is reasonable. As the convener has rightly said, there will be no formal report, but we propose to close the petition and to note that we are holding our own inquiry into the bedroom tax and that last week's evidence on the petition will be considered as evidence for that inquiry. That is the way forward. We would, once we have our report on the bedroom tax, want to do a number of things, including to seek responses to our conclusions from the Scottish Government and others. We should not pre-empt our own inquiry.

Jamie Hepburn: Annabelle Ewing has made the point that I was going to make in response to

Ken Macintosh. We have at no stage suggested that we will rely on a member's bill; we are just noting as part of the context that the petitioner has been successful in persuading a member to progress the proposal in the petition. That is just the backdrop; we are not saying that we are relying on an individual member.

Annabelle Ewing has set out the wider context. We are looking at the bedroom tax already and will continue to do so. How could we avoid looking at the bedroom tax? We know that it is in our work programme and that we can usefully incorporate some of the evidence that we have heard. Some of the evidence that we heard last week will be helpful in our wider consideration of the bedroom tax, and we can work it into our on-going inquiries. I fully back the recommendation that has been presented by the clerk.

The Convener: I am trying to achieve consensus so that we do not divide. Is it possible that we could do both? Could we write to the Government and wait for a response before closing the petition, or do members just want to accept the position?

Linda Fabiani: I suspect that the Public Petitions Committee has already done that.

The Convener: Yes—because we discussed Margaret Burgess's response last week. Ken Macintosh has, however, asked a specific question about part of that response from the Government.

Ken Macintosh: My understanding is that, since last week, there has been an eviction under the bedroom tax. The point is that, as a committee, we are looking at the impact of the bedroom tax, but the petition talks specifically about a no-evictions policy. If it is true that there was an eviction last week because of the bedroom tax, there is even greater reason for clarity. To shut down the petition strikes me as strange. We have not come to a view on it as a committee.

The Convener: We have to take a decision. There is a recommendation in front of us, and Ken Macintosh has put a counter-recommendation. We are not going to get agreement, so the only way we can decide is to put the question to the committee. Ken Macintosh has suggested, I think, that we write for clarification on the questions that he has raised. Do members support that proposal?

Members: No.

The Convener: I suppose that we have to divide on it, then. Do members agree that the committee should write to the Government about the petition?

For

Macintosh, Ken (Eastwood) (Lab)
McMahon, Michael (Uddingston and Bellshill) (Lab)

Against

Ewing, Annabelle (Mid Scotland and Fife) (SNP)
Fabiani, Linda (East Kilbride) (SNP)
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
Johnstone, Alex (North East Scotland) (Con)
Stewart, Kevin (Aberdeen Central) (SNP)

The Convener: The result of the division is: For 2, Against 5, Abstentions 0.

We are therefore left with the recommendation.

Linda Fabiani: I would like to clarify something. The proposal is not that we close the petition but that we close our consideration of the petition. It is the Public Petitions Committee that decides whether to close the petition.

The Convener: That is the recommendation in the paper. Do members agree to take no further action on the petition and to close our consideration of it?

For

Ewing, Annabelle (Mid Scotland and Fife) (SNP)
Fabiani, Linda (East Kilbride) (SNP)
Hepburn, Jamie (Cumbernauld and Kilsyth) (SNP)
Johnstone, Alex (North East Scotland) (Con)
Stewart, Kevin (Aberdeen Central) (SNP)

Against

McMahon, Michael (Uddingston and Bellshill) (Lab)
Macintosh, Ken (Eastwood) (Lab)

The Convener: The result of the division is: For 5, Against 2, Abstentions 0.

We will write to the Public Petitions Committee informing it of the outcome and will let its members know how the petition progressed.

Our next meeting will be on 3 December 2013.

Meeting closed at 12:16.

Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice to SPICe.

Available in e-format only. Printed Scottish Parliament documentation is published in Edinburgh by APS Group Scotland.

All documents are available on
the Scottish Parliament website at:

www.scottish.parliament.uk

For details of documents available to
order in hard copy format, please contact:
APS Scottish Parliament Publications on 0131 629 9941.

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@scottish.parliament.uk

e-format first available
ISBN 978-1-78392-148-5

Revised e-format available
ISBN 978-1-78392-161-4

Printed in Scotland by APS Group Scotland
