HOUSE OF COMMONS

# Scottish Affairs Committee

## Oral evidence: The Impact of the Bedroom Tax in Scotland – Continued, HC 937-II

## Monday 16 December 2013

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Members present: Mr Ian Davidson (Chair); Jim McGovern; Graeme Morrice; Pamela Nash

Questions 162 - 220

Witnesses: **Clair Malpas**, Regeneration Manager, Cassiltoun Housing Association, **Jean Devlin**, Castlemilk anti-bedroom tax campaign, **Billy McFadyen**, Castlemilk Credit Union, **Angus McIntosh**, Solicitor, Castlemilk Law Centre and **Maureen Smith**, Solicitor, Castlemilk Law Centre, gave evidence.

**Q162 Chair:** I welcome you all to this meeting of the Scottish Affairs Select Committee. As you know, we are conducting an inquiry into the impact of the bedroom tax in Scotland. We produced an interim report that came out at 12.01am that I am sure you have all been up half the night reading. One of the things that would be helpful is if during your evidence you could refer to any points where you disagree or agree, or are able to expand on the points that we have made and think you can add further evidence.

At the very end we will ask you whether there are any answers that you have prepared for questions we have not asked, so you do not need to try to work something into an entirely different question. We will give you the opportunity at the end to add any points that we have omitted, and you will also be able to give us any further evidence in due course in writing.

We envisage producing another report in about three months, closer to the end of the financial year, so that is the timescale that we are working on. There are two elements that we have had in our report so far. First, the Committee, on a split vote, came out in favour of abolishing the bedroom tax, but in the meantime we have suggested a number of ways in which we think the effect could be lessened and mitigated by various actions.

Can we start off by asking you to introduce yourselves and tell us whether or not you are supportive of the main recommendation that we put forward about abolition?

***Maureen Smith***: I am Maureen Smith. I am a solicitor at Castlemilk Law Centre. I think the conclusion was very straightforward and clear and I very much support it.

***Angus McIntosh***: I am Angus McIntosh. I am a solicitor at Castlemilk Law Centre as well. I thought most of the points in the report were supportable and there was a reasonable position to support the abolition.

***Clair Malpas***: I am Clair Malpas, I am the Regeneration Manager at Cassiltoun Housing and of course we support the abolition of the bedroom tax.

***Jean Devlin***: I am Jean Devlin. I am part of the Castlemilk anti-bedroom tax campaign and we absolutely support abolition of the bedroom tax.

***Billy McFadyen***: I am Billy McFadyen. I am a Director of the Castlemilk Credit Union. I oppose entirely the bedroom tax.

**Q163 Chair:** Can we start off by asking you to give us some evidence about what the impact of the bedroom tax is on Castlemilk and the surrounding areas as far as you are aware? I will ask Jean to start.

***Jean Devlin***: First, the Castlemilk anti-bedroom tax campaign was formed following a public meeting held in March in Castlemilk and there have been two public meetings since then, one of which was organised by Castlemilk Law Centre and focused on welfare reform, which is impacting greatly on the lives of people in Castlemilk. During that time we have conducted a petition on which we have collected almost 3,000 signatures, so that shows the impact that it has locally on the people in Castlemilk. It was very easy for us to gather 3,000 signatures, and it would be very easy to gather 3,000 more. Every Friday we meet in the Castlemilk shopping centre and discuss with people who are affected, and those who are not affected who support the abolition of the policy, how it has impacted their lives.

I was born in Castlemilk, so I have lived here my entire life and I know the community and the people well. The stories that we have been hearing while we have been gathering our own evidence have been shocking. At our second public meeting a woman addressed us and stood up in front of the audience and declared that she felt suicidal because of how the bedroom tax had impacted on her life. I met her once after that and she told me that she had tried to take her own life. Unfortunately I have not seen that woman since, and I do not know what position her life is in, or if she does still have a life.

That is a general idea of the impact that it has on people's lives, literally, but we see people who are impacted because they have to maybe share rooms with their siblings. We had a wee boy who came out of school one day and asked specifically if he could sign the petition. He was 14 years of age, and we said, "Of course. Are you affected by the bedroom tax?" He said, "Yes, I now have to share a bedroom with my five year-old brother" and in his words, "That is just not happening". So obviously there are concerns about the impact that it has on the lives of young people who need study and private space. Some of the bedroom sizes that we have in the houses in Castlemilk are absolutely not adequate to have two single beds in along with the other accoutrements that people need for living in their bedrooms.

We are deeply concerned about the impact on people's mental health. I have already explained the situation about the woman who stood up at the public meeting. I have spoken to the Stewart Centre, which is a local centre that deals with people with mental health problems, and they are deeply concerned but unfortunately could not be here today. We are extremely disappointed that the health service is not represented today. We have asked the health centre manager if GPs could give reports to this Committee about the impact on their patients. Unfortunately they are not prepared to do that, and I would ask that this Committee takes that forward, approaches the Greater Glasgow Health Board and asks them to submit some kind of evidence about the impact that it is having on people's health at a local and UK level.

Some of the cases that your Committee might have heard about before are when people have suffered a broken marriage and they share children. What is happening is that two people have two homes now and only one is able, if they are eligible, to claim a discretionary housing payment. Their partner who has the children a few days a week or on the weekend is absolutely not entitled to any kind of a discretionary housing payment, for which nobody seems to know what the criteria are anyway.

I think that is how we have seen the impact. We need to add that the whole impact of the welfare reform is quite scary. What we are seeing locally as we stand at the shopping centre on Friday, because the jobcentre is in that centre is well, is that people are running scared from that centre, having been sanctioned for maybe even being two minutes late for an appointment. On the one hand they are being sanctioned, and on the other hand they get a letter from the housing association telling them that they are in rent arrears or have been refused a discretionary housing payment. That is the situation that we find absolutely unbearable, and I know that some of the other agencies that are sitting here will be able to tell you a wee bit more about how they see that in their clients who are coming in the door.

To let you know what the area in Castlemilk is like, there was huge investment here a number of years ago, and in 1988 the Thatcher Government of the day introduced a new lifeblood in Scotland whereby absolutely millions of pounds was ploughed into this area in terms of housing. You would have had to see the dilapidated state of the housing in this area at that time. Millions and millions of pounds were ploughed in. There was encouragement for local housing associations to be set up. There was a split in tenure, because at that point we had 100% council housing—I think there was one housing association in the area—and the Government at that time wanted to see a split in housing tenure where 50% remained in council control. Of course, we do not have that at all now. There are absolutely no council houses left in Glasgow, so our biggest landlord is GHA, and I think there are about six or so other housing associations that have invested millions of pounds themselves in the housing stock.

We are concerned as tenants that they will no longer be able to do that if they suffer loss in revenue through people not being able to pay rent incurred by the bedroom tax. We also hear that some of the housing associations are investing in other community activities and employing workers to do more things that are maybe a bit more enjoyable and that help the area in general. I know that Cassiltoun housing association have a community woodlands officer who does great work in the area, and that encourages people to enjoy Castlemilk and want to remain living here.

That is the nuts and bolts of our campaign, but our biggest concern is the effect and impact that it is having on people's health. There is no money left over after buying food, paying rent, gas and electricity. There is absolutely nothing left. Included in that are people who go for work capability assessments and are often being told that they are fit for work, when in fact some people that we hoped to come here today are not even fit to come here, never mind being fit to work. They have been taken off much-needed benefits, and that is having a serious impact on their income. There is no disposable income if you are on a benefit.

We would also like to highlight that there is practically no disposable income left for some of the other people who could not be here tonight who are in low-paid work, who also rely on housing benefit to top up their rent. The impact it is having on them is absolutely dire as well. As I said, I am quite sure that some of the other housing agencies have facts and figures that I do not, and could expand on that.

**Q164 Chair:** That is helpful as an introduction. Billy, could we turn to you next as a member of the community, to tell us about the way in which the credit union has experienced the impact of the bedroom tax?

***Billy McFadyen***: I am surmising that everybody here believes in the credit unions and supports them. I am on a credit committee and I have members coming in now in distress. Part of it is that they have been evicted, or if they stay they cannot afford it.

**Chair:** I am having difficulty hearing what you are saying, so maybe you could speak up a little bit.

***Billy McFadyen***: I am on a credit committee, and members are coming in who are falling into arrears. Part of this is through welfare cuts to the benefits, and we cannot hand out money. It would be irresponsible just paying out money for that, so they are trying to renegotiate loans. How do they go about it? I do not know the answer. They cannot go to Scotcash or any other reputable lenders, so where do they go? Payday lenders, that is where they are going, and that is going to be a big problem, and it is getting worse as it goes on. It is a time bomb just waiting to explode.

**Q165 Chair:** People who are running up arrears with the bedroom tax are then approaching lenders to borrow the money to pay their tax.

***Billy McFadyen***: To pay the bedroom tax, yes. Bedroom tax and benefit cuts, too.

**Q166 Chair:** What about the impact of illegal money lenders? Are they in operation in Castlemilk?

***Billy McFadyen***: They are big in Castlemilk, yes. We find that when people come in and we go through their items. The criteria to borrow from a credit union are first of all what are your needs and then your ability to repay. So when we check their ability to repay, we see these things coming up with money lenders, with payday loans being paid back. It is suicidal trying to give them money. These people get paid first and the credit union is the last to get paid. We cannot afford to give them money. We would be irresponsible doing that, but this is happening more and more. More people are coming in trying to renegotiate with us, to cut down, and the door is getting closed on them for the future, because we cannot lend them money. Where is the alternative?

**Q167 Chair:** Clair, do you want to outline the impact from the housing association's perspective?

***Clair Malpas***: Mr Davidson, I would like to talk from two perspectives, if that is possible. I suppose I wear a welfare rights hat in my job as well. I have been delivering welfare rights services in Castlemilk for the last six years. I would like to agree with what Jean and Billy have said about the impact on people who live in this community of the rise in poverty. It is the first time in my career I have had to send people to food banks. We are in partnership with the Trussell Trust, and regularly we are handing out food parcels to people who just cannot afford to feed themselves and their children. People are coming to me because they cannot make ends meet or pay their bills. They are cutting back on food and fuel, as you have agreed. I have had tenants coming to me who have gone to Provident to pay their bedroom tax arrears because they do not want to fall into arrears, and they are also saying that they have gone to their friends and family to borrow money, but they have reached the end of that line of credit because their friends and family are also now struggling to make ends meet.

In terms of advice, I know my colleagues will talk about the advice sector as well, but myself and other welfare rights providers who work in housing associations are inundated. It used to take people two weeks maximum to see me. It is now taking a month, and we have put additional resources in to deliver these services, so the system of advice is crinkling around the edges, and again it is vulnerable people who need to get this advice.

The last thing with my welfare hat on is holiday periods for people with children who are affected by the bedroom tax. In the summer holidays people come to me to say that they cannot afford to feed their children over the holidays and pay the bedroom tax, because they are used to getting free school meals. Again over Christmas we will probably have the same situation and as things roll forward. These periods when children are at home and are not getting their free school meals is a big additional expense for people who are also trying to keep their rent arrears at bay.

From a more corporate point of view, for the housing association movement it is having a major impact on us. Arrears are up by about £50,000 from last year. Our abandonments are rising and are going through the roof.

**Q168 Chair:** You say up by £50,000. What does that compare to?

***Clair Malpas***: It was at £89,000 at this point last year and we are up to £140,000 in terms of rent arrears. We have gone up from 2.9% to 4.3% of our rent arrears figure. Traditionally we have rent arrears of about 1.9%, so our rent arrears are going through the roof. We estimate that £30,000 of that is to do with bedroom tax. There are other reasons that arrears are rising, to do with people who are in work who are struggling to pay their rent, and other people who are affected by other aspects of welfare reform.

Our costs are also going up. We have put additional staffing resources in to help people mitigate the impact of bedroom tax. We have been very proactive in helping people complete DHPs and also look at other ways of increasing income. Our court costs and legal fees are going up, as we have to send out more legal letters. I suppose for us, we are quite an efficient organisation, but we are going to have to look at where we can start cutting back. The services that we will look to cut back are what are seen as the non-essentials, so are we going to be faced with that tough decision, as Jean said, to look at the wider regeneration work that we do? Over the years we have invested heavily into wider regeneration of the area. We have an employability programme running at the moment, where 85% of the people are going on to find jobs. Is that something that will be under threat? Will we say that we cannot afford to do that now because we have bedroom tax arrears?

With my welfare hat on, it is about the impact on the people and their lives, and from a business perspective it is to do with things that we are delivering now and also looking forward at whether we could afford to develop if the opportunity came up. You commented in the paper you sent out about stock development work, but we do not have the properties. We do not have a lot of one-bedroom properties. We have only around 80 one-bedroom properties in our stock of 1,000. We have a massive waiting list. People do want to downsize, but the properties are not there.

We also do not have the capacity to develop. We do not have the land or the funding to develop affordable housing, so we are caught in a Catch-22 situation where people would perhaps want to downsize but we cannot build the properties for them.

**Q169 Chair:** Just to clarify, you mentioned the arrears growing, yet I think it was you saying that people are borrowing off friends and neighbours and so on. That is presumably artificially keeping the identified arrears lower, and when they run out of that then presumably that would rocket up even faster.

***Clair Malpas***: We have a tenant stock of about 1,000, and more than 230 of our tenants are affected by the bedroom tax. That is quite a high percentage, and part of the reason that we are majorly affected is because we allow children to have their own bedrooms. Jean was talking about that in relation to education. We also have a lot of tenants who have access to children, and we allow them additional bedrooms. So 230—one quarter—of our tenants are affected by the bedroom tax. We worked with tenants in the build-up to bedroom tax implementation day to build up a credit in their account, but those credits have now run out as well. It is twofold. Those credits will disappear, they will have exhausted themselves, and that line of credit with their friends and families will also run out. We are anticipating our rent arrears going much higher than they are today.

**Q170 Chair:** Can I clarify what the impact is likely to be on people who have houses from you who are not getting state support for their rent? Is it going to affect their rental level?

***Clair Malpas***: We have to look at affordability. We are just going through a discussion at the moment about a potential rent increase for next year. We have to look to see how much it will cost us to deliver the services, and we will set our rent level according to that. We need to make sure that we have enough rent money to cover all our costs, including staffing and all our major repair programmes. Yes, it could have an impact, but I think people who are not getting housing benefit are struggling to pay as well. These are people who get tax credits. Often they are in low-paid jobs and they get tax credits, and they are coming to see me because they are struggling to pay the rent. They are finding it very difficult as well, and if we have to cut back on the services that we are providing, they will be impacted in that way as well. The Castlemilk Park Project, we took 230 residents to the pantomime yesterday. These are all things that are classed as non-essential and if we are cutting back on core services we will not be able to provide those as well.

***Angus McIntosh***: The first and most obvious thing to say about the bedroom tax policy is how impossible it is for it to be achieved. Just to follow on from Clair's point, the council's figures for Glasgow are that there are 12,000 or 13,000 households that are affected by the bedroom tax, but there are not 12,000 or 13,000 houses that people can be moved to, to try to downsize. The problem that we have is that there are a large number of people who are stuck with a debt, and it is a very important debt, a priority debt. If you do not pay your rent, ultimately you are faced with being evicted from your house.

The current problem is the people who have been in rent arrears for a while. They cannot afford to continue making the payments towards rent arrears that they have been making and that we have been able to negotiate for them. At the same time the people who are subject to bedroom tax and have been able to keep up their rent payments previously are going to find that the bedroom tax they cannot pay is going to build up and up, and the bedroom tax itself is going to be a problem.

When looking at your report I thought maybe one of the sections to make a few more comments on and to put more detail into was the section on arrears. Previously this was a difficult problem, but it was one that we could manage to help people with and try to solve the problems that they had. We did not have many tenants who were evicted. The reason we did that was that most of us were working together to try to come up with something that was co-operative and that helped the tenants who did have arrears. We could maximise the housing benefit to make sure that current rent was covered, so that there would not be any more arrears. We could look at other benefits they might get, or ways of helping them with their income and providing a modest amount that could be used to pay off the rent arrears that had arisen. When you made these points to the court if a court action had been raised, then you could persuade the court that an eviction did not have to go ahead. In most cases the housing associations would agree with that. To that extent you were pushing at an open door, because nobody wanted people to be evicted because of rent arrears and because of poverty.

What is happening now with the bedroom tax is that the modest amount that you could use to try to cover the rent arrears has now been taken away. It is not just the bedroom tax, although that is one of the primary causes. People have more to pay in fuel costs, people's wages have stayed the same, people's benefits have gone down, people have been sanctioned, but the bedroom tax is really the bit where the most difficult problems arise, because people do not have any way of escaping from it. Whereas previously it was possible to try to keep people in their house, it is going to be a lot more difficult just now, because it is very difficult to try to get the tenants to have enough money to keep up with their payments, and arrears inevitably go up and up.

The problem we are looking at now is the impossibility that the tenants face in being able to cover their rental payments, and they are the ones where it is going to be difficult to put to the court that the tenant should not be evicted. The basic argument is that the tenant should not be evicted if it is not reasonable to do so, and that is the argument you have to put to the court. Previously, if you came up with a way of covering the problems the tenant had, you could persuade the court that it was reasonable. The problem now is that we are going to be in a situation where it is not possible for a tenant to cover the arrears that have arisen, and we have to make the argument to the court that even though the tenant cannot cover the rental payments and the arrears are going up, it still should not be reasonable to evict them. That is going to be a very difficult argument to make, and it is going to be difficult for the courts to come to the view that a tenant should stay.

**Chair:** There are a number of issues relating to eviction that we want to come on to later on, so we will just carry on with this introductory session at the moment. Was that you complete?

***Angus McIntosh***: Yes. The point I was making was that it is more and more difficult to argue in court that the tenant should not be evicted. With the rent arrears that are arising it is difficult to avoid that.

***Maureen Smith***: Without going into the area of evictions in too much detail, because that is what I principally deal with, I think the inability of people to negotiate the whole system is important. This is something that I think my housing association colleagues would understand as well. We estimate that 60% of our clients have depression. I do not know if you have ever seen a Glasgow City Council housing benefit decision letter, but I think it is done paragraph by paragraph by pressing a button on a computer. Some of the paragraphs contradict each other, sometimes it is halfway down before you are told about the bedroom tax, and therefore people were getting into arrears before they were coming to see us about it. Thereafter they had to negotiate an application for discretionary housing benefit and they had to understand that the discretionary housing benefit was only going to be awarded for perhaps three or six months. Then they had to understand that they had to reapply, and if you take that along with the benefit cut and the sanctions, it is just too much for a lot of our clients to deal with, and that is only the ones that manage to come and see us.

I think a lot more could have been done in plain English to make the bedroom tax understood by people before it came in. In the last two weeks I have seen four people who have attempted suicide. I am not saying that is just because of the bedroom tax—it is possibly to do with personal circumstances, but it is also to do with the whole change to the welfare system. People are finding it really difficult to negotiate it. We are seeing a lot more people who are virtually destitute. For people who are on basic incomes such as employment support allowance with no children, that is their income, and if they are being asked to contribute £8 or £14 a week or whatever to that, that is coming out of their money to heat their house and to feed themselves. We are part of the same food bank now, which is completely unprecedented. We are giving out tokens, and it is very embarrassing for people to have to ask us for money to feed themselves, then they do not have the bus fare to get to the food bank so we have all gone into our own pockets to take money out to give to people. A policy that is premised on the advice workers giving out money from their own pockets is just unworkable.

**Q171 Chair:** You mentioned the Glasgow District Council letters. We have taken evidence from Glasgow District Council, and perhaps not surprisingly they did not draw to our attention how difficult the letters were. Maybe you could let us have in writing a copy of the correspondence you have had from them with an indication of how better you think they could be drawn up.

***Maureen Smith***: It goes to the client. It does not come to us.

**Chair:** I understand that, but it would be helpful to have somebody like you as an agency on the other end expressing a view on that, and that is something we can certainly pick up. This is the first time anybody has raised this with us. Certainly the balance of evidence we have had is all about local authorities and other landlords trying to make things clear to people, and trying to explain them in simple terms and so on, and we have not had any evidence to the contrary, so that would be quite helpful.

***Clair Malpas***: I will just add that a lot of people go to Wonga as well, with all the repercussions that has in terms of the rollover. If they are paying the shortfall on the rent, that is going to happen every month, so they get themselves into worse and worse trouble with it.

**Q172 Chair:** Can I ask a general question about ways in which people can pay the bedroom tax? The Government suggested there are a whole number of ways that people can find the money, such as taking in lodgers or by working more hours and so on. Is there any evidence that people in Castlemilk are taking in lodgers, or are there a whole number of people who want to be lodgers that people want to take in?

***Jean Devlin***: We have talked to probably everybody that has signed this petition, and I have not heard anybody mention that they are willing to take an absolute stranger into their home. That has never come up. I personally would not like to take in a lodger. I have a bedroom, but that is for my grandchildren when they come to stay, and I feel that I have that right to a family life and that I am entitled to have that room for that purpose.

I also have other members in my family that maybe come and stay over who live south of the border, and I just feel that my right to have a family life should be there, and I would not for one minute consider taking a stranger into my home.

***Clair Malpas***: As I said earlier, one of our main problems is people having access to children—separated families—so again, they will not want to take a lodger in, because they would not have room for that child that they have access to.

On the issue of children sharing a bedroom, we allow that from a much younger age, so people are saying that they will struggle to pay the bedroom tax so that their 14 year-old and three year-old can have their own rooms.

**Q173 Chair:** When we were meeting in Airdrie earlier on today, some of the witnesses not only said that they would not trust a lodger in their house, a stranger in their house, but some of them made the point that they would not necessarily trust a member of their extended family in their house. I think that indicates how unrealistic it might be.

How realistic is the option of working additional hours in order to get the money to pay the bedroom tax?

***Angus McIntosh***: It is not realistic at all. Most of our clients are on benefit, and the ones that are in work are in low-paid, often part-time work. They do want to work if they can, and they want to work longer hours if they can, but there simply are not the jobs available.

***Maureen Smith***: That is a routine question that I would ask people—"Can you get more hours at work?" And the response seems to be, "I am lucky to have what I have got, never mind increasing my hours".

***Clair Malpas***: When people's earnings go up their housing benefit goes down, and it is not necessarily a win-win situation, particularly if they are moving from benefit into a low-paid job and they are struggling because they cannot get affordable child care. They don't have the transport links. There is a bus service here but not a fantastic bus service, and there is no train here, so for a lot of people the cost of getting to work is a barrier.

**Q174 Chair:** Is it a particular barrier here in Castlemilk as distinct from anywhere else?

***Jean Devlin***: The transport issue is one of the main things, and the cost of child care. Also there are a lot of single parent families, a lot of working women out there in the care sector as well, so they try to work their hours around the kids' school hours in order to save on child care costs, because they just would not be able to meet the child care costs out of the income that they have from their job. They cannot extend their hours because they need to be at home to look after the children, so in that sense it is a Catch-22 as well.

***Clair Malpas***: I have had other clients who have been offered jobs, but they are zero-hours contracts, so again, they can't plan properly if one week they have work and then one week they don't. That is a real problem.

**Q175 Chair:** We have just started conducting an inquiry into zero-hours contracts as well, so maybe we will come back to speak to you about that in due course, but that is for another day.

Can I just raise a point with you, Clair? One of the points that we have been discussing is the question of people who need what the Government deem to be a spare room, because somebody has a disability in the family or a child with a disability. What proportion of the people affected by the bedroom tax is covered by those two categories?

***Clair Malpas***: We had 230 people initially affected by the bedroom tax. We have managed to take 80 of those off the list. We were able to give them an exemption through the additional room allowance application, because there were a lot of people who were disabled. We now have a few tenants left who we have allocated separate bedrooms to, and these are couples who are both disabled and need that extra space because of medical equipment. We have maybe about 10 clients who are in that situation at the moment, and we have put in appeals against that. We are hoping to get to the first-tier tribunal.

**Q176 Chair:** Sorry, you told us a figure there that you were able to exempt.

***Clair Malpas***: Eighty families.

**Chair:** Run it past us how you managed to exempt them from that.

***Clair Malpas***: The additional room allowance, so if you have an overnight carer coming in you are allowed to have a spare room for the overnight carer.

**Q177 Chair:** That is the only opportunity that you have? Only 80 of them were covered by that loophole?

***Clair Malpas***: Yes. People thought that they were not covered by it, because initially when the regulations came out a lot of tenants thought it had to be a professional carer, but it can just be a family member or a friend coming in overnight. We worked really hard in April last year to try to get as many exemptions as we could, and prior to April we were maximising people's disability benefits so we could highlight those who were disabled before the bedroom tax came in. That really helped us get to know our tenants. We do know our tenants very well, but we maximised people on disability benefit in order to help them get the additional room allowance.

***Jean Devlin***: The majority of people have never even heard of additional room allowance and so have never applied for it. It is difficult enough to try to get the message through to people to apply for the discretionary housing payment, and some people say, "What's that?" but mention additional room allowance and people say, "I don't know". This is quite a proactive housing association, and I do not know if other housing associations are as proactive as that. Look at the size of the Glasgow Housing Association. They are more proactive in going out and offering people advice that they can and should apply for the help that is out there, so that is an example of an organisation that is working to try to help the tenants. I do not know if that applies across the board.

***Angus McIntosh***: It is worth looking at the figures there, and the figures the council have is that only 40% of the people may be eligible of those 12,000 or 13,000 that have put in claims for DHP on appeals as well. Normally what you would do is you would put a housing benefit appeal in to try to cover the shortfall of the bedroom tax, and at the same time you would put in a DHP to try and cover somebody temporarily for six months, or longer than that if it is continued. Our cases have increased by 50% now in comparison with last year, so we have put in half as many again, two thirds of the way through the year, in comparison with last year. We think maybe about 10% or 15% of the cases in the south-east are accounted for by the housing associations, and other advice agencies maybe account for the rest, but it is still only a minority of those who might be eligible to claim. Nearly all our claims are in regard to disability issues.

***Clair Malpas***: Angus, is that to do with discretionary housing payments?

***Angus McIntosh***: No, it is to do with both—housing benefit appeals to say that the client is entitled to an additional room allowance, and also DHP claims.

**Q178 Chair:** Maybe the best thing would be if you could drop us a note telling us about the additional room allowance and so on, and how many people you have managed to get on to that. What I am not clear about is how many people you still have left among your tenants paying, or due to pay, the bedroom tax. You seem to have quite a substantial number exempted from it. How many do you have left paying or due to pay?

***Clair Malpas***: 230 minus 80.

**Chair:** So that is 150.

***Clair Malpas:*** We are still working proactively to try to encourage people to come in, but in the September prior to April we went and spoke to every single tenant. We door-knocked, from the Chief Executive down to reception, everybody, to make sure that we had the right details of everybody in the household, to identify people who were under-claiming benefits and to pinpoint who we thought would qualify for an additional room allowance, so that as soon as April came we could start applying it. That is what we did, and we just saw those people. So again, if people's circumstances change and they now have a carer coming in, or we are getting them a PIP—personal independence payment—then that is a conversation that we have.

For anyone coming through the door who is in arrears because of the bedroom tax, the staff will discuss with them, "Do you have any health needs? Does anyone come in and care for you overnight?" to see if we can get any more exemptions. For us they are better than the DHP, because unless people's circumstances change and they become well again, or their carer stops coming around, that additional room allowance is there for as long as they need it and as long as the council still have this as a policy, so you are not in a situation where you have to keep reclaiming a DHP every six months.

**Q179 Graeme Morrice:** According to the coalition Government, one of the main reasons for introducing the bedroom tax was to encourage people who are under-occupying large houses to move into smaller properties and so save on housing benefit. I am not sure there are lots of one-bedroom properties out there that are available to people who are in bigger homes, but can you give us any information?

**Chair:** Sorry, Graeme. I think people are having trouble hearing what you are saying. Can you speak up a little bit?

**Graeme Morrice:** Sorry. I was saying that according to the coalition Government, one of the main aims of the bedroom tax is to encourage people who are under-occupying larger homes to move into smaller properties and thus save the public purse money. However I doubt, and other members of the Committee would also doubt, that there are lots of available one-bedroom properties out there to meet that demand for smaller properties for those in bigger properties wanting to move out. Can the witnesses provide any information or evidence in relation to who out there that you are aware of locally has moved into smaller properties, or indeed has had to move out of the local community to get a property?

***Clair Malpas***: As an organisation we have about 83 properties that are one-bedroom. We have 1,000 units, and 83 properties are one-bedroom. We have been encouraged over the years to develop larger properties, so that is why we do not have so many one-bedroom.

What we have done recently is converted a bigger property. We took the opportunity when somebody moved out to convert a bigger property into two one-bedroom properties and allowed people suffering from the bedroom tax to move into those. There is a real lack of one-bedroom properties in the area.

Castlemilk is quite a close community, and most people want to remain in the community. They have family links, and caring links, and they really do not want to leave. I also know anecdotally that everywhere in Glasgow is suffering from the same situation. Most social landlords do not have lots of small properties for people to move into.

***Maureen Smith***: They are also in competition then with homeless people, and there is a statutory duty on the local authority. I do not know how that sits with a housing association that also has a duty in terms of housing these two groups. There is also a third group, which are people on the waiting list. I do not know how they are going to work that out.

**Q180 Chair:** Can I just get some clarification on figures? I think you said 80-odd one-bedroom houses?

***Clair Malpas***: Yes, 83.

**Q181 Chair:** What is your annual turnover normally, and how many people do you have queued up for them?

***Clair Malpas***: Our turnover this year is going to be slightly higher. We have about 123 units turning over per year, and on our waiting list—

**Chair:** Sorry, is that altogether?

***Clair Malpas***: Yes.

**Chair:** How many of those would be one-bedroom?

***Clair Malpas***: Off the top of my head I could not give you that figure.

**Q182 Chair:** What we would like is an indication of how many one-bedroom apartments you have, what the normal turnover is and the size of the waiting list and the other pressures on it, from which we can work out how many years it would take to get people allocated with a reasonable level of turnover that you would expect, which I think is a fair way for us to look at it.

***Maureen Smith***: I can only say anecdotally that I always ask housing associations, and not just Cassiltoun, "Can you re-house my client?" and not one of them has been able to. Nor have some of them even responded, so there have been no successes there.

**Q183 Jim McGovern:** The point Clair was making about converting two-bedroom houses into one-bedroom houses—

***Clair Malpas***: I think it was a five or four-bedroom.

**Jim McGovern:** The evidence we took this morning, if I understood it correctly, was that if an association chose to take that path and make bigger houses smaller, and therefore exempt them from the bedroom tax, it would cost the association money because the rent would go down.

***Clair Malpas***: If I could clarify, this was a bigger property, a two-storey property, and we have divided it, so it was a five-bedroom property that was on two levels and it is now two one-bedroom apartments. It is not that we have reclassified.

**Q184 Chair:** Potentially, is the rent that you receive from a five-bedroom less or more than the rent you would get from two one-bedrooms?

***Clair Malpas***: It is roughly the same. We are not losing anything, but we invested money of our own into the—

**Chair:** The capital costs of making the changes?

***Clair Malpas***: We received some money from the council, and there was some money from ourselves.

**Q185 Chair:** You said earlier on that you were encouraged to build larger properties. Who did that?

***Clair Malpas***: Funding from the Government through HAG grants.

**Chair:** So the Scottish Government?

***Clair Malpas***: Yes.

**Q186 Graeme Morrice:** I was going to ask Clair in particular what you were doing as a housing association to be proactive in approaching your tenants who had a particular difficulty in paying the bedroom tax to support them in that process, but you covered that ably earlier. I was also going to touch on the issue about how we deal with children in that situation, and I think you covered that through the notes and the documents, saying that you obviously go over and above what is expected in terms of providing adequate accommodation for children and older children in particular.

But is there anything you want to add about what your housing association is doing to assist your tenants with this particular problem? Will you be aware of what other housing associations are doing, and Glasgow Housing Association in particular? Presumably you will all be working together on this, and I assume you are all part of the common housing register in Glasgow.

***Clair Malpas***: There isn't a common housing register in Glasgow.

**Graeme Morrice:** Oh, there is not? Okay. There is in North Lanarkshire, as we heard when we were taking evidence this morning in Airdrie.

***Clair Malpas***: I am part of a welfare rights group as a housing association welfare rights officer. We all obviously correspond and have a good position in terms of what we are doing, and we try to share best practice. We obviously have close links within the local community. I used to work for three of the housing associations here, so everyone knows me quite well and we do discuss what we are doing to try to come together to mitigate the impact. It is all to do with resources. It is all to do with money. I think Cassiltoun are doing as much as they can with the staff that we have to try to help people through these really difficult times and to help them look at budgeting. We have put a lottery bid in to help people get more financially included and to help people with budgeting advice. But sometimes when I am trying to draw up a budget with somebody, there is just not enough money to make ends meet. You are doing their income and expenditure and there just isn't enough money to meet the basic essentials: food, heating, the money they have to pay towards the bedroom tax. There is really nowhere else to go. It is not as if you can say, "Let's negotiate with the lender" if they do not have a lender; if they are not borrowing any money, if they do not have a lot of debts but they just do not have enough money to meet their basic needs.

**Q187 Graeme Morrice:** Can I ask Jean a question? Obviously we have heard from the housing providers and those involved in the of supporting tenants through the difficulties that everyone is experiencing, but from the tenant point of view, are people saying, "We are in a big house. We can't afford to pay the bedroom tax. We would like a smaller house but we are having difficulty trying to get one because of availability"?

What are people saying specifically on that issue? What are people's experiences? Are there people getting smaller properties? Are people having to consider leaving the community, particularly Castlemilk—you mentioned that you were born and bred here—who do not really want to leave the community?

***Jean Devlin***: We think that is the whole crux of the matter. People do not want to leave their home, and I think that you need to bear in mind that these are people's homes. They are not just units. The Government tend to think that this is just like Lego bricks and they can play about with them, but people live in their homes, people invest in their homes, they take pride in their homes. So for a lot of people, even if they do have what is deemed a spare bedroom, they do not want to move because they have invested in it. Plus, for the reasons that I have given already, they use it for their family.

If they are fortunate enough to find a place that they can downsize to, they have to meet removal costs and the cost of new furnishings for that new home. Things like the floor space are different, and they need to get new flooring such as carpets. They need to get new blinds and curtains and stuff like that, because the ones that they had won't fit. That is my own personal experience. I only moved last year, and I moved in ignorance, because you do not tend to wake up and think, "I had better read Government policy today". So I moved before I was really aware that this was going to impact on me, but I moved to the same size of house. I was not given any advice at that point that I should consider moving into a smaller place because of the impact of the bedroom tax. I think you need to bear in mind that it is about the cost of removal as well.

As Maureen has already covered, of the client group that Law Centre sees, 60% suffer from depression. Clair has touched on people with disabilities. I struggle to have to ask a vulnerable group like that to move out of their home where there is a network of care and a network of neighbours that they know and trust. So there might be a couple of people that maybe went from a five-apartment to a three-apartment, but that just means that they are saving a bit: they are not paying 25%; they are paying 14%. So some of them are saying, "Well, I'm better off paying 14% than 25%". So if people are moving, they are moving just to save a few pounds a week, but they are still in a property that is subject to the bedroom tax.

Can I just add to that? If they have to downsize, their furnishings will need to go somewhere: they will not fit into that size of accommodation. So for somebody who is moving from a bigger property into a one-apartment, they have to get rid of their furniture. They might not have their grandfather's clock or something like that, but it is their personal property and they need to find a way of disposing of that if they have to move into a smaller property.

**Q188 Chair:** Do some of the housing associations have, or have they had, a scheme of providing people with incentives to move?

***Clair Malpas***: No, we have not because we just do not have enough stock for people to move into.

**Q189 Chair:** So you do not need to provide incentives for people to move?

***Clair Malpas***: No, because people would move if the houses were there.

**Q190 Jim McGovern:** Again this is a question for you, Clair. The most popular on the panel. How has the bedroom tax affected your association's allocation policy, if it has affected it at all? Have you had to change it?

***Clair Malpas***: We have started to look at our allocation policy. We have started to discuss, unfortunately, the age at which children get their own bedroom, because again, we do not want to put people into a position of arrears by signing somebody up and then finding that they are going to struggle to pay.

That is the only change we have started to look at. We have not really looked at any other change, because we think our allocation policy is quite fair.

We are looking at how we prioritise people who are under-occupying and trying to make sure that we are giving them as many opportunities as we can to move. We are also pinpointing and trying to get people to go on to HomeSwapper. We are going to try to widen the number of properties that might be available to them. But there has not been a lot of major change to our allocation policy.

**Q191 Jim McGovern:** I know you cannot speak for any other associations here, but I imagine you must communicate with the other associations. Are you aware of any other association that may have changed their allocation policies because of the bedroom tax?

***Clair Malpas***: I think across the sector some people have changed, in particular, their room-sharing requirements. Some people have gone along the same lines as the Government, I think from the position of not wanting to put people in a difficult position by allocating a property that the Government will think is too big for them.

**Q192 Jim McGovern:** Coming on to evictions, in every session we have had—from the far north of Scotland down as far as Cardiff in Wales and throughout the central belt—almost every housing association has said they are against evictions as long as the tenant is trying to engage with the landlord to try to find a solution to the problem. So do you see a difference between someone not paying their full rent as a protest against the bedroom tax and simply not paying any rent?

***Clair Malpas***: I think arrears arising from restrictions because of the bedroom tax have to be treated as arrears arising in any other fashion or shortfall. It could be that somebody has lost their job and they are struggling to pay the rent. It could be that somebody's hours have been cut, they are on a zero-hours contract and they are struggling to pay their rent. So we treat people who are suffering from the bedroom tax in the same way that we treat everybody else who finds themselves struggling to pay their rent, and that is that we work with them. The Law Centre will know that we have a very low record of evicting people. We put advice in place and we try as much as we can to prevent people from falling into arrears, and once they are in arrears to come to a reasonable arrangement. Eviction is the last thing we want to do, but unfortunately that is the legal option we have to go down with people who are in any type of arrears if they persistently refuse to pay.

***Angus McIntosh***: Can I make a point on that?

**Jim McGovern:** That question is open to anybody.

***Angus McIntosh***: With evictions, the problem is that they are rising and rising, and eventually it is going to be a severe problem for the landlords as well as the tenants.

The council issue is that there were statistics about what they call section 11 notices—notices by landlords and lenders about actions that are going to be raised to remove people from their houses. There is a fair variety in the way housing associations are approaching the problem. Some associations, like Cassiltoun, have a very low number of eviction actions, albeit that there are still some, but some have a higher number.

I think what we want to avoid—I mentioned earlier just how problematic things are getting—is a sense of fatalism and the sense that when people are in court, when tenants are taken to court by landlords, you have no prospect at all of getting out of that situation. What you have to avoid is a situation where some of the housing associations take the view that tenants cannot possibly afford to pay this, so let's just raise an eviction action, get the case to a proof and get a court order against them. Even more important than that, you have to avoid the courts taking that approach as well. What we have found recently—and it is just an impression, because there is not really enough information to come to any general view about it—is that there is a larger number of proofs being fixed in these issues, and there is a tendency to fix a proof much quicker than before. Previously, before

April, the courts were prepared—although they were not particularly happy about it—to continue cases for months on end so that tenants and landlords could come to an agreement as to how much would get paid, and it quite often took a long time to come to that, because you had to maximise somebody's income, as I was saying, to get that extra money in.

If that is not the case any more, then what I think is very important is to avoid a sense of fatalism among the courts and housing associations that the obvious answer is to chuck people out. That has to be the wrong thing to do. What has to be the right thing to do is to issue guidance to say we should give people as much time as possible to try to resolve this and find other ways. It might be that there could be a number of things happening. We might get to 2015 and find that it gets abolished because there is political change. Or we might get to 2015 and find that a lot of people think they are file-ready, and then they might find that there is no political change and they will have to face to what happens then. In my view, this policy is a car crash, but it is one where what you want to do is avoid the number of fatalities it causes. All of us have to try to find ways to avoid as many fatalities as possible.

**Jim McGovern:** Jean, did you want to say something?

***Jean Devlin***: As a campaign group our stance has to be an anti-eviction stance and we, as a local campaign, are affiliated to a Scottish federation of anti-bedroom tax campaign groups that are obviously sitting on a different side of the fence from some of the people at this table. We would have to therefore employ direct action to try to prevent somebody being evicted from their home. So that would be our take on the evictions argument.

***Clair Malpas***: Can I come back on that? It is just about the comment you made there, Angus, about fatalities. I know you are talking about tenants as being fatalities, but again, from the housing sector point of view, we have to make sure that the housing movement is not a fatality if there is not enough income to deliver services. That is a key thing as well. How long can we carry rent arrears before some of the smaller organisations in particular really become fatalities of this policy?

***Maureen Smith***: In terms of the small percentage you say end up in evictions or court cases, they are probably the people that we see. Those are the people that suffer from addiction, mental ill health or depression, the people that haven't been able to negotiate the system. I don't know of anybody who is taking an ideological point of view and saying, "I am not paying this because I do not believe in it". I have never seen anybody doing that. It is not a protest thing as far as I can see. It is just an inability to pay, which is not the same as refusal to pay.

**Q193 Jim McGovern:** Maureen has maybe anticipated the next question, but I do not know if you would like to answer it, Jean, if you are part of an association of anti-bedroom tax campaigners. Does anybody on the panel advocate non-payment of rent?

***Jean Devlin***: No.

**Jim McGovern:** No? That rules that out.

***Jean Devlin***: I think that is sometimes misunderstood. We have taken advice from Govan and Castlemilk Law Centres and the legal advice—and what the housing associations are advising their tenants as well—is, "Come in and try to work with us" and that is about applying for the help that is out there. We have not advocated non-payment, and we want to be clear about that. But I think I definitely agree with what Maureen said. There might be a few people out there who have said, "I am not paying that", but as an organisation we do not advocate that. People are trying, they just do not have the money. It is very simple.

**Q194 Jim McGovern:** Thank you, Jean. Very briefly, Chair, a point that was raised this morning and has been raised in other evidence sessions that we have taken is tribunals. Maybe Angus and Maureen would be best prepared to answer this. You have had some tenants go through the tribunal process?

***Angus McIntosh***: Yes.

**Jim McGovern:** The problem seems to be that a first-tier tribunal is not a precedent, but a second-tier tribunal is. So it seems to leave the associations on the horns of a dilemma. Do you challenge the people so that it does create a precedent—the nasty piece of work in this situation of challenging somebody who has won a case—or do you just leave it at the first-tier tribunal, which is not a precedent?

***Angus McIntosh***: No. You would just take it through until you got a decision you thought you could not challenge any more.

**Q195 Jim McGovern:** What I mean is, if you represented somebody against Clair's association and won, but it did not create a precedent, would you say to Clair, "Challenge it so you can create a precedent"?

***Angus McIntosh***: It would not be against the housing association. It would be against the council.

**Jim McGovern:** Well, would you recommend the council challenge it?

***Angus McIntosh***: We would only proceed with it if the tenant lost. What we would try to do is challenge the housing benefit decision that said the tenant's housing benefit was reduced. So we would be putting the legal points at the tribunal, and if we failed at the first tier then we would appeal to the second.

**Q196 Jim McGovern:** So it would be preferable to you then, to be challenged, so it goes to a second tier so it creates a precedent.

***Angus McIntosh***: It is that it is preferable or not preferable. It is just that if we lost and we thought we had a good legal case to take it to the second tier—

**Jim McGovern:** You are either mistaking the point or avoiding the point. The question is not if you win at first level, would you then want an appeal against yourself. I can understand that if you win, you would not necessarily want to do anything about it. The question is that if you win, would you be supportive of the council then taking that to the second tier in order to provide a precedent?

*Angus McIntosh*: No, because there are so many cases that would provide precedents anyway. There are bound to be enough appeals to create precedents themselves, so we don't have to encourage them to do anything.

**Q197 Jim McGovern:** So what are all these other cases that would create a precedent then?

*Angus McIntosh*: The cases that you would lose on. I am sorry this is straightforward—

**Jim McGovern:** You are either misunderstanding the question or avoiding it. Are you avoiding it? Are you a lawyer at all?

*Angus McIntosh*: We are dealing with 500, 600 benefit tribunal cases a year—it is going up to 600, 700—and in the housing benefit cases I mentioned, we are putting in claims usually on the grounds of disability of one sort or another, to say that the bedroom tax should not be imposed in the client's particular case. There are a number of different arguments you can bring when you are making those points. So you would have the first-tier tribunal first. One of the points I wanted to make about that is that it is taking quite a long time. The cases that have been put in in April and May are only just now getting to the stage where the papers are coming through so we can get to the first-tier tribunal. That is deterrent one. We would not want the housing association or the council appealing. But there are so many of these cases that you are bound to get—

**Chair:** That is not what we were told when we were in Fife, for example, when we were being told that there were a number of cases where they wanted to have a precedent established, ideally by the DWP taking it to appeal in order that they could lose, so that it could then be applied right across the board.

*Angus McIntosh*: The DWP would not take the case if they thought they were going to lose. It is gets very adversarial.

**Q198 Chair:** The difficulty is, how do you then get a precedent? There is a first-tier tribunal decision that applies only to that tenant, and it then means that you have to take all sorts of other first-tier tribunal cases until sometime eventually you do get a second-tier one. It is just a question of how we get to the issue of getting a precedent as quickly as possible.

*Angus McIntosh*: You have to distinguish between what is going to be a precedent and what is going to be persuasive. You will get a lot of tribunal chairmen and tribunals coming to a range of decisions, and they will all read each other's decisions and see the strengths and weaknesses of the legal arguments that have been put forward. There are so many of these cases going through anyway, you will eventually get one—

**Q199 Jim McGovern:** That is not a precedent either though, is it?

*Angus McIntosh*: You will get a general view—

**Jim McGovern:** The analogy that was made previously to us was two people, next-door neighbours. One goes to a first-tier tribunal and wins it. That means nothing to the next-door neighbour, because they have not—

*Angus McIntosh*: No, no. No, that is not how it works. All the tribunals read each other's cases and see what arguments are strong and what arguments are weak, and they will gravitate towards the stronger arguments anyway. That is at the first tier.

When you get to the upper tribunal, then you will get what used to be the old commissioners there making decisions that are binding on the lower tribunals. Then you will get clarity on that. But that does not mean that you would not get a large number of tribunals making decisions at the first tier that other tribunal chairs would see were important or were strong arguments, and they would gravitate towards those arguments.

**Q200 Jim McGovern:** What we are trying to determine is how do you get to a position where people do not have to keep going to the tribunal based on what their next-door neighbour did—it is automatic, because the next-door neighbour got it and their circumstances are exactly the same, so they do not have to go to a tribunal because there is now a precedent.

*Angus McIntosh*: What I am saying is that it is not quite as simple as that.

**Jim McGovern:** I am trying to make it simple. You are a lawyer; I am not a lawyer.

*Angus McIntosh*: What I am saying is that you will get hundreds of these cases going, and you will see the arguments that are coming forward. You are quite right, some of them will be cases that we do not think are particularly beneficial to tenants, and some of those might be on quite strong grounds and we would want to challenge those. But other ones will obviously be weak cases anyway.

**Q201 Chair:** I think it is best to get another lawyer. There is a difference between an emerging consensus and a precedent.

*Angus McIntosh*: I am not saying there isn't.

**Chair:** The emerging consensus would allow cases that are still taken to the first-tier tribunal then to be successful, whereas a precedent would allow the housing associations and other social landlords to apply things right across the board even if people did not come through the appeals mechanism. We are just looking for ways in which that can be done. Clair, you are about to solve this problem.

*Clair Malpas*: Not really. But obviously I represent at first-tier and other tribunals as well. We will not win all of our first-tier cases, we will lose some, and then we will take them to the upper tribunal and hopefully those decisions will be overturned, and that is when a precedent will be set. I agree. I understand, in fact, what Angus is saying. I do not understand why the DWP are not appealing these cases. I think the only reason they are not appealing them is because they do not want to set a precedent.

*Angus McIntosh*: That is right.

*Clair Malpas*: Hopefully we will get to set the precedent by—

**Chair:** We are going full circle now. You are saying how they will get a precedent. In those circumstances, I think we have taken the view that even though the council might not want to pursue the case—because it is not in favour of the principle it is pursuing—it ought to pursue it in order that it can lose.

***Clair Malpas***: But for an advice worker, you would not want that to happen, because there is a chance your client could lose, and then they have lost that. So that is why you would never say—

**Chair:** Okay. One thing you mentioned earlier on, I think both of you, was that there were a small number that had faced eviction. It would be helpful if you could give us an indication of those figures. Jim, do you want to follow up?

**Jim McGovern:** We have exhausted that one, I think.

**Chair:** I think so. Pamela.

**Q202 Pamela Nash:** Returning to evictions, the Chair is asking for the numbers, but of those who are facing eviction because of rent arrears since April, how many have been because of the bedroom tax?

***Maureen Smith***: We are not in a position just now where there are purely bedroom tax cases.

On setting a precedent, if we had an eviction case that was purely bedroom tax, we would start to pursue that as far as we could. But at the moment it is a mixed bag, because some of these people have been previously in arrears or had other things going on.

What we are seeing is that where a case has been in court and it has been put to sleep at court because people have entered a repayment arrangement, maybe of £3.50 a week, and they have been managing fine on that, now the bedroom tax has come in and created another gap of £80, which they have not been able to meet, so those cases are now being recalled to court. So again, they are still mixed bags, but that is where the influence of the bedroom tax is starting to come in.

**Q203 Pamela Nash:** Is there any pattern emerging there? You are saying it is a mixed bag.

***Maureen Smith***: People may have had previously existing arrears due to being in and out of employment, benefit sanctions, sickness or marriage breakdown or whatever, and there are some on the books where bedroom tax is now beginning to top that up and create difficulties of its own in terms of evictions. But I think going into next year, we are going to start to see more cases recalled because of the bedroom tax and more cases raised perhaps purely because of the bedroom tax.

***Angus McIntosh***: The court sent us through their statistics on this—it is quite interesting. There was quite a high level of eviction cases. It was fairly general and fairly consistent. When the bedroom tax first came in there was a dip, which I assume was when all the housing association officials were trying to maximise housing benefit and DHPs, and that was what they were concentrating on. So there was a slight dip then. But it has gone back up again, and it looks as though the general trend is for more and more eviction actions to be raised.

**Q204 Pamela Nash:** Okay. Maybe this is more for Clair.
**Chair:** Sorry, Pamela, can you speak up?

**Pamela Nash:** Sorry. Some local authorities across Scotland have come up with their own no-eviction policies due to bedroom tax, while for smaller social landlords that is obviously a difficulty. Would it be beneficial to you if the Scottish Government put in this policy at national level and supported social landlords to ensure that bedroom tax on its own did not result in an eviction further down the line?

***Clair Malpas***: My question back would be what would happen to the arrears then? Would there be a repayment of the arrears that had accrued?

**Chair:** That is one of the things that we have had raised with us, the question of in circumstances where the arrears realistically were never going to be repaid but they could be written off and refunded by the Scottish Government to maintain the financial position of the social landlord. Then that would tie in with a Scotland-wide—and then hopefully a UK-wide—ban on eviction as a result of the bedroom tax.

***Clair Malpas***: I have discussed this with some of our residents, and their view was, "Well, how can somebody's arrears just be written off? I am paying my bedroom tax. So how is that fair on me? I am scrimping. I am saving. I am making that payment. And you are going to let somebody away with arrears because—"

**Chair:** It is a moral hazard point that we have identified before. I think in the report we identified that paying your rent should not be a voluntary exercise, because otherwise why should anybody pay their rent? But leaving those difficulties aside, there is the principle of identifying some circumstances where it is clear that the bedroom tax arrears cannot be paid, so that they would be written off. In order to keep yourselves and other social landlords viable, the Scottish Government, which we understand has the power to do so, would meet that cost, and then that situation would roll on. Are you in principle opposed to that?

***Clair Malpas***: In principle I suppose I am not opposed, but again, you have to think about other people struggling because of other cuts to the benefit system. Again, it is a moral judgment. Also, it is not just the bedroom tax. It is not just the arrears that are a cost. Again, it is the additional resources; the additional legal costs; additional staffing. So the cost of all these welfare reform measures is not just in the arrears figure. There are other impacts in terms of our costs.

**Q205 Chair:** We asked North Lanarkshire Council and other people that we saw this morning to give us an indication of the additional costs that would follow on as a result of the introduction of the bedroom tax. I think it would be helpful if the bodies here could do so as well, if you have had additional expenses, and also opportunities forgone, as it were. I presume you have had to transfer staff or money from one thing to the other. It might well result in a net increase in your spending, but there has obviously also been an opportunity cost as a result of not being able to do various things. I think it would be helpful for us to be able to report back on that.

***Jean Devlin***: May I just answer that? Our point of view is that we would ask all moneys to be made available to cover arrears, but also for moneys that have already been paid to housing associations or councils for people that were subject to the bedroom tax to be paid back to the tenants. I do not know how you have accrued your expenses, but that is what we would argue. That would make it fair to the tenants—people that have already paid should get it back.

**Chair:** I think we understand that.

**Q206 Pamela Nash:** I would like to move on to discretionary housing payments. Perhaps Jean and Billy might be able to tell us this. Among the people you are coming into contact with, your clients, is there a high level of awareness of the DHP and the financial support that might be available to them? Or do they not—you are shaking your heads.

***Billy McFadyen***: Mine do occasionally.

***Jean Devlin***: No.

***Billy McFadyen***: No.

**Chair:** Shaking heads does not get recorded. You have to say something.

***Billy McFadyen***: No. When anybody comes in like that, they do not explain to us that they know about all the benefits. All they really do is come in and ask for money and we ask what the money is for.

**Pamela Nash:** Yes.

***Billy McFadyen***: We find that if there is a productive reason, that is okay and we go into the circumstances and whether they can repay it, and that is it. But that is up to the member. If they want to inquire about any benefits they can get, or if is state benefits, we take that into consideration.

**Q207 Pamela Nash:** Yes. But is that because the local authority, the council and the housing associations are not making that information easily available? Is there something else that you think they should be doing to make that easily accessible?

***Billy McFadyen***: Honestly, I could not answer that.

***Jean Devlin***: I think Maureen covered that by talking about the kinds of letters that the council were sending out and saying that people just found it quite difficult to understand.

Clair has touched on how her housing association has been quire proactive and started this process in September prior to the April. But within that six months, people might have forgotten that conversation even took place. I think there are people in this room—people that were talking to me just before the meeting started—who do not understand the system whatsoever. They firmly believe that the council does nothing with regard to anything connected to the discretionary housing payment. It is three words that are being bandied about quite recently but, quite frankly, until March or April this year nobody had heard about the discretionary housing payment. I do not think there is enough information out there. There is nothing proactive coming from the council whatsoever. You might be quite lucky to be in an association like Clair's, and obviously she is saying what they have done in the past. But then you can still see that some of the tenants are still requiring quite a lot of help. You still have a fair number of tenants there.

***Clair Malpas***: Some of those are on DHPs.

***Jean Devlin***: Right, but you know what I mean.

**Q208 Chair:** Maybe you can clarify it for us, then. Clair, you presumably, as a landlord, have an interest in getting the money in, and therefore you have an interest in people not only applying for but being successful in getting DHPs. How successful have you been to date?

***Clair Malpas***: Glasgow City Council in March gave us a list of everybody who was affected by the bedroom tax. Obviously we had already started looking at the additional room allowance applications. Then we went on at the beginning of April and we had a letter going out in the first week to everybody else saying, "Come in and claim a DHP".

We have been quite successful, I think. Initially we had quite limited success. Then in the last few months the council have been putting a lot more money in, and we are having a lot of DHPs extended. I do not have the figures—but I can get them to you—of the amount of income that we have generated from the tenants through DHPs. The only problem with DHPs is the length of time that they are awarded for—although the council are now automatically extending them—and also the amount of money that is being paid. I have an example here of one tenant. It is a tenant who is in a family home. He and his wife are both disabled. They require their own bedroom, but obviously that is outwith the bedroom tax rules. They have got a 25% deduction. That charge is £43 a week bedroom tax, but their DHP award is £5 a week, so he is still struggling. So although we are getting DHP in—and we have just got an extension to the end of March, of £5 a week—this person also has a sanction now, so they just cannot make ends meet.

**Q209 Pamela Nash:** Since the additional funds became available and the Scottish Government have made the decision to top up to 150%, has Glasgow City Council been going back and looking at decisions again, and either increasing the amount or—

***Clair Malpas***: Not increasing, extending I would say. The awards we are getting—

**Q210 Pamela Nash:** So it is a time period rather than the amount of the award.

***Clair Malpas***: I would say I am noticing that some of the new awards we are getting through now are for larger sums, so that has been a positive aspect. They have also invited us to go back and look for backdates as well for people who been refused initially.

**Q211 Pamela Nash:** Asking you to do that? So they are involving housing associations in trying to identify people that might be—

***Clair Malpas***: Yes. But then we have local liaison meetings with the housing benefit office, and they also know that as a landlord we are quite proactive, so yes, there is email exchange, and at any point we can ask them for an up-to-date list of people who are still affected by the bedroom tax if we want to do another mailshot. Again, we are quite good, we know who is on a DHP, and we also set a trigger for when that is going to expire and we will get the tenant back in. We have been using DHPs for the last five years. It is something we are very comfortable with, and all of our staff know how to complete one. It is not just in the hands of our bursar.

**Q212 Pamela Nash:** You said the council is automatically extending. How automatic is that? Is any action from the tenant required?

***Clair Malpas***: No. They are going back and they are just extending it.

**Q213 Chair:** When we saw Glasgow District Council, they were saying that because they were not initially aware of how much money they had and they were not aware at that stage that the 150% top-up was there, they were being frugal because they did not want to have a situation where those that got in first got the money and everybody else did not. That is why, I understand, they are now prepared to extend it.

What we do not know at the moment is how far DHPs are going to be extended in time. I think the UK Government has indicated that it is going to do it for the next year as well, but we had evidence this morning saying that the Scottish Government might be cutting the amount that they provide to local authorities. But we are not entirely sure of that yet. So that presumably would make life a lot easier for yourselves, if the local authorities knew, as we have recommended for a couple of years, how much DHP was going to be available.

***Clair Malpas***: It would. It would mean that the local authorities could plan and also for the tenants, they could also plan. They would also know that they are going to have perhaps that bit longer to find a smaller property. We could look at what we are doing. When DHPs were having to be renewed every three months, that is a lot of staff resource going to help people complete them. So it would help.

Again, my concern is that it is not a long-term solution and they are not making up the whole shortfall, so people are still having to meet that gap. For some people it might only be £10 a week, but that is a lot to find.

***Maureen Smith***: It is a lot of money.

**Chair:** Right.

***Maureen Smith***: Plus the local housing benefit office here closed down, didn't it? There used to be a local office that people could just go over to, but that closed down. I think that makes it difficult for people, having to go into the centre of Glasgow.

***Jean Devlin***: I think that is absolutely right. It is about people getting access to the services. An excellent example would be a housing association that is proactive. You obviously do a lot of work with a lot of people. We have to bear in mind that not every association is going to be behaving like that. I think it is coming across rather one-sided, that this is a shining example of how Glasgow is operating. It is not. I don't think that is the common experience, and there are also the people that are not engaging with housing associations. I mean, we are struggling to get people to apply for it, to go to the Law Centre, to seek advice, even to get an appointment. What we are finding as well is that these people are absolutely overwhelmed. The people that are out there that have given that advice and are providing that service are already overwhelmed. So there is a long waiting time for somebody to go in and get the help they need to even fill out the applications.

**Q214 Chair:** We are going to have to try to draw things to a close shortly. I am conscious that we want to have an informal meeting, and also we have a plane to catch at a certain time. So, Pamela, do you want start drawing us to a close?

**Pamela Nash:** It is not on DHP. It is just one additional question.

**Chair:** Can I just pick up a couple of other points on DHP? When we were in Wales we had a meeting in the Welsh Parliament building and heard evidence from them. One of the things that they were very strongly saying was that they thought that you should get away from the postcode lottery whereby individual local authorities were making different decisions about how much DHP people were being provided with. We have recommended that there should be a flat rate across the country—Scotland, Wales and the rest of the United Kingdom—and that local authorities would then have discretion above that. Does that seem a reasonable assumption to make?

***Jean Devlin***: I think it is reasonable, but I think it needs to be tweaked. Each area is obviously going to have its differences.

**Chair:** That is where the local authorities have a degree of discretion. Some authorities are hardly putting any money in at all—you then always get these positions where somebody on one side of the road gets something and somebody on the other side of the road doesn't. This should be a universal provision, part of the social wages area, rather than simply being left to the complete discretion of local authorities. Does that seem reasonable?

***Angus McIntosh***: The discretion is too complete just now. It should certainly be about having more concrete criteria so that tenants can depend on getting some money in and then, as you say, have the discretion to top up.

**Chair:** Pamela, a couple of other points and then we will draw things to a close.

**Pamela Nash:** Yes. Two different points. One very short question. Have you had an increase in people trying to exercise their right to buy since bedroom taxes came in?

***Clair Malpas***: I think this year we have had two or three applications, but I would not say it is necessarily linked to the bedroom tax.

**Q215 Pamela Nash:** They are not? Okay. It is just that we have heard other evidence today that brought that up. The second question I want to ask is about tenants moving to the private sector to get out of paying bedroom tax. Is that something that you have seen?

***Clair Malpas***: We have been looking at our giving-up criteria. We do try to collate information, and what we are trying to do now is look at the information we are gathering so that we can see if that is a factor.

I think we have had a lot more people abandoning properties now because they are in rent arrears, and our abandonments are the highest I have ever seen since I have worked at Cassiltoun. I do not know if they are moving into the private sector after, so I can’t really give you any more information that than at the moment.

**Q216 Pamela Nash:** Two points on that. First, when would you be able to provide us with numbers of people abandoning properties?

***Clair Malpas***: I can see what information I have on our giving-up criteria and moving to the private sector.

**Q217 Pamela Nash:** Is that something you are hearing in the community, people moving into private lets?

***Jean Devlin***: No. I have not come across that. I do not think that is something that we have heard.

**Pamela Nash:** Is there a private let market here in Glasgow?

***Jean Devlin***: Not locally.

***Billy McFadyen***: We have come across quite a few.

***Jean Devlin***: Have you?

***Billy McFadyen***: You hear that. People moving out and going to private landlords, maybe looking for deposits for flats.

**Q218 Chair:** It would be helpful for us if you could give us some sort of indication of what the local available private market might be like, because it has been suggested that people who are in a public sector three-apartment could move to a private sector one-apartment. But the evidence seems to be that the one-apartment would be more expensive, therefore the whole thing is perverse. I think again we would have to have evidence about that, which is why it would be helpful if you could let us have that.

***Maureen Smith***: I think it is important to point out that there is not an equivalence between the two sectors, inasmuch as in a private sector tenancy you can get moved within six months on a no-fault basis. I see families that are given two months’ notice to quit. It always seems to be Christmas somehow.

**Q219 Pamela Nash:** We are very aware of that as a Committee. We know that. The final thing is this. Could you provide us with figures for the differences in costs of rent of a one, two and three-bedroom? Just on the top off your head, is that less than the bedroom tax?

***Clair Malpas***: It is less, yes. I will give you those figures

**Pamela Nash:** It is less than the bedroom tax, therefore bedroom tax cannot be called a subsidy in that case because it is more. Okay.

**Q220 Chair:** That is particularly important. We want to get some evidence from you about that, because the suggestion has been that the bedroom tax is a penalty, that people are being charged more than the difference in the rents.

***Clair Malpas***: They are.

**Chair:** I think we have already established that point. As we indicated earlier on, we are on the twin track of saying we are in favour of abolition but also trying to get improvements or changes or mitigation applied as well.

Right. I think that is us finished in terms of questions. Are there any final points, very briefly, that you think we have missed out that we should be aware of, and that you can maybe write to us about later on? No?

Okay, well, thank you very much. We are now proposing to have an informal session, and then we will have to escape to the airport.