



## Scottish Affairs Committee

### Oral evidence: The Impact of the bedroom Tax in Scotland, HC 937–VI

Monday 10 March 2014

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

Questions 431 - 618

Witnesses: **Councillor Lesley Brennan**, Labour Group, Dundee Council, **Councillor John Alexander**, Housing Convener, Dundee Council, **David Dorward**, Chief Executive, Dundee Council, **Marjory Stewart**, Director of Corporate Services, Dundee Council, **Ian Thomson**, Chief Executive, Abertay Housing Association and **Steve Kell**, Housing Strategy and Performance Manager, Hillcrest Housing Association, gave evidence.

**Q431 Chair:** Could I welcome you all to this meeting of the Scottish Affairs Select Committee? As you are aware, we are conducting an investigation into the impact of the bedroom tax in Scotland. We have had a series of hearings in a number of locations. We have also been recently to West Lothian and Falkirk where we took evidence from the councils there, as well as various community groups and organisations. The intention is to make sure that we are hearing from people on the ground about what the impact has actually been.

As you are probably also aware, we have published an interim report that recommends that the bedroom tax be abolished altogether but, in the event that the Government did not accept abolition, we have also made a number of proposals about how its effect could be ameliorated and some of the worst elements of it could be overcome. We will be wanting to hear what you think of those proposals. As I said informally before we came in, at the end we will ask whether or not you have any answers prepared to questions that we have not asked, any points that you feel we have missed, so you do not have to try to work something into a question about something entirely different. You will get the opportunity to clarify any points that you think we should be taking into account.

First of all, thank you to Lesley Brennan for inviting us to Dundee. I think she made the initial contact with Jim McGovern who is the MP for Dundee West and it is from that initiative that the visit here came. Could I start off by asking you to introduce yourselves for the record? Say where you are officials, what your department is and what your particular involvement is with the bedroom tax.

**Cllr Brennan:** Lesley Brennan. I am a local Labour Councillor for the East End. Douglas is in this ward. My interest with regards to the bedroom tax is also based on the fact that I have done a number of years of research on housing as well. I was a researcher at the University of Dundee, doing housing research, and then I went into the private sector,

working for a consultancy, doing housing research. I have been involved locally in the Dundee Bin the bedroom tax campaign.

**Cllr Alexander:** John Alexander. I am a Councillor for the Strathmartine ward in Dundee and also the Convener of Housing. My vested interest is clearly in the local authority's housing stock and how we are dealing with the impact of the bedroom tax, but also in the wider welfare reforms as well.

**David Dorward:** David Dorward. I am the Chief Executive of Dundee City Council. I am the Society of Local Authority Chief Executives lead on welfare reform in Scotland. I attend the Scottish Government COSLA Welfare Reform Partnership Group in that role and I am also a member of the Universal Credit Group that meets in London on the implementation of universal credit.

**Marjory Stewart:** Marjory Stewart. I am Director of Corporate Services at Dundee City Council. My department covers finance and my officers administer housing benefit and DHP applications. I chair the council's welfare reform group that we set up to help mitigate the worst impacts of welfare reform within the city.

**Ian Thomson:** I am Ian Thomson, the Chief Executive of Abertay Housing Association, which is a Dundee-based housing association with 1,800 houses. I am here very much to give a practical view on how the bedroom tax is affecting us and our tenants.

**Steve Kell:** Steve Kell from Hillcrest Housing Association. We have 4,000 tenancies in Dundee and I am here to give a flavour of what goes on in the front line, how front-line staff are dealing with it and the effects it is having on some of our tenants.

**Q432 Chair:** Could I start off by asking what you thought of the report that we produced and the recommendations we made? Obviously the main one was abolition, but what do you think of the proposals that we made about ways in which the effects of the tax could be ameliorated? You can be as complimentary as you like. People say that flattery does not work but that has never been my impression.

**Cllr Brennan:** I want to be very strongly supportive of the fact that it needs to be abolished. The fact is that for a number of years there has been a mismatch in the housing stock in the social rented sector between the demographics of the smaller households and the stock, because of projections and housing finance. The stock is generally two or three bedrooms. It is not as simple as people moving from a two-bedroom to a one-bedroom. There is not that stock there. It is about protecting the income stream for the housing associations and making sure that it is sustainable. So I think abolition is the only way forward.

**Cllr Alexander:** I would certainly back what Lesley said about abolition of the policy. From the outset, the cost to local authorities and to tenants will be far more than what the UK Government will be saving in monetary value. I have some issues in that I do not think there is a one size fits all approach for dealing with it on the local ground. There are certain issues that maybe affect Dundee that would not affect nearby local authorities such as Angus, which is a rural authority. I think we have to take these things into consideration.

What we have seen in the past couple of months in announcements from the Scottish Parliament, by both SNP and Labour politicians with Lib Dem and Greens support, was

fantastic in terms of bringing forward that funding to alleviate the worst impact. For me the point that has to be made is that this policy cannot be eradicated because it was a UK legislative policy that was passed at UK Government level, and the only way of removing that burden is to entirely remove it at Westminster. That is the position that I think many of us in this room would like to see and we will be pushing for in respect of all these other issues of funding and local policies.

**Q433 Chair:** I do not necessarily want to go along the whole table for a response to each question, but were there any of proposals that we were making for amelioration that people thought we had got wrong or anything that people thought we ought to be strengthening? In particular, John, you mentioned there are some factors in Dundee that do not necessarily apply elsewhere. Our experience of evidence so far has been the other way about and that rurality, which presumably does not apply in Dundee, is an additional factor. Other than that, our impression has been that the bedroom tax's impact has been pretty universal or pretty similar throughout the whole of the country. David, I think you were shaking your head in disagreement. Unfortunately, the *Hansard* recorder does not manage to record nods and shakes, so if you want to get your views on the record you have to actually say something. I think David and Marjory were both indicating that you disagree.

**David Dorward:** The issue of DHP is quite important here in the difference that we are seeing in actual terms between rural authorities in general and urban authorities in the take-up of DHP and the response. When the allocation was made by the DWP of, "Here is the total allocation of DHP you can spend" you will find, when you look at the actual figures, that it is urban authorities in the main, so the Glasgows, the Renfrewshires, the Dundeys, who are spending up to those limits or close to them and when you then look at the rural authorities, without naming any, they are considerably lower in terms of having spent perhaps only 20% to 25%.

**Q434 Chair:** Is that a function of over-allocation? The argument was that the rural authorities were getting a bigger allocation and therefore the fact that they are not meeting that target was more to do with the allocations than the take-up itself.

**David Dorward:** I think that is true. There was built into the allocation a factor to generate more DHP in rural areas that frankly now, on the evidence that has been put forward, was not required. Therefore, I agree with you, but it does come down to the fact that that demand for DHP within the urban authorities is far greater proportionally than it is in rural.

**Marjory Stewart:** I am assuming that the reason for the rural allocation was because it was more difficult in rural areas to move people into a smaller amount of available housing but also more difficult to move people within the rural settlements. The reality is that the impact of the bedroom tax within the city, and certainly within the city of Dundee, is every bit as acute and because of the lack of available housing stock and turnover of that stock, it is not possible to rehouse people who are impacted by the bedroom tax, therefore the demand in the city is severe. I think the impact of that, with the other factors that are impacting on people through the welfare reform changes, is more intense within the city and the overall impact on families is really severe.

**Q435 Chair:** We have some questions on DHP later on but just picking up this point, the argument presumably would be that the allocation of DHPs has been artificial and top-down rather than being demand-led and that if there is going to be some provision made then it should be demand-led. Presumably though that does not overcome this issue about

differential take-up because presumably you are still going to have a degree of differential take-up, which would suggest that in urban areas you have fewer people applying, simply because of chaotic lives and so on. How would that be addressed to a demand-led allocation of DHPs?

**David Dorward:** The reality there is that it is not demand-led at present.

**Chair:** No, I understand that. We will argue that there should be a change there and I am just going beyond that to say how do you overcome the difficulty that not everybody who would be eligible and would benefit from DHP actually applies?

**David Dorward:** I think the work that Marjory and her team are doing in Dundee to target those people who should be in receipt of DHP but have not applied is very proactive in identifying those individuals and making contact with them. Marjory, do you want to explain that? To me, that is the best way of doing this. When bedroom tax came in at first we asked the DWP to provide us with the information of those individuals—in fact we had it ourselves—who were going to be impacted. We wrote out to them saying, “You may be impacted upon by bedroom tax”, and we got very little response. What we had to do then was get face to face. We had to make contact with them. We had to go and meet them face to face, because that was the only way that people were going to take that seriously. It is very similar to the DHP situation. To get people to take up and apply for DHP you have to make that real effort of making contact with them and saying, “This is important. This could apply to you”.

**Q436 Jim McGovern:** The Chair has indicated that perhaps in a more urban setting there is possibly a higher percentage of people who live rather chaotic lifestyles. Would that be why there is a lack of take-up?

**Ian Thomson:** If I can come in, I don’t think it would be. We, and all housing associations that I know of, as the council is, are working very proactively to make contact with everybody who might possibly be able to put in a DHP application. We are giving a lot of assistance to people to put in DHP applications.

**Q437 Jim McGovern:** I don’t doubt that for a moment but if money is available to help people, why would they say, “No, I am not interested” or not take it or not ask for it?

**Ian Thomson:** We are not finding many people who are not interested. There are a few people who are refusing to engage altogether because they just on principle object to the bedroom tax.

**Q438 Chair:** When we met both West Lothian and Falkirk, they were saying to us that in their view there was quite a substantial group of people who were not engaging with DHPs, whether it was because of mental health or learning difficulties or pride or chaotic lives. Therefore, they were saying that the DHP system is fundamentally flawed because it does depend upon somebody applying. For every welfare benefit that you have to apply for, there is a gap between those who actually apply and those who are eligible. What we are trying to clarify is the scale of that in Dundee. Do you have a feel for how many people are not applying who would be eligible? Sorry, Steve, you wanted to come in.

**Steve Kell:** I was going to say that what we have been doing is very similar to Dundee Council. We work in partnership trying to target people that we think are eligible for DHP. That is where the hidden costs come to organisations because of the resources that we have to put in to go and do one-to-one visits and knock on doors and try to engage with people. That is where the hidden costs are in terms of resources. It is something that has

been an impact because of the bedroom tax. We have had to put these extra resources in and we target people, we try to visit them. There are one or two who will not engage but I think we have been quite successful in getting people to apply.

**Q439 Chair:** What does “quite successful” mean?

**Steve Kell:** At the moment, we have about 180 cases in Dundee. We have got 129 people who are paying and there is about 53 people not paying. There are various different reasons why they are not paying. It could be that there are some who have chaotic lifestyles and we will try our very best to get them to engage but if they choose not to then we can’t take it any further.

**Cllr Brennan:** With regards to the DHP—I am sure Marjory and David may disagree with me—I think at the start, April last year, it was very difficult to find somebody who had applied and had received full discretionary housing payment or even partially. I think the council has been reassessing, since about October, November, a number of discretionary housing payment applications and people have since been awarded. At the start I had feedback from some of the community groups, especially going round the Dundee Bin the bedroom tax group, that a council officer came along and said, “We will be asking for receipts and if you have bought certain ice cream you may not be eligible for discretionary housing payment. If you are getting disability living allowance, you will not be eligible for discretionary housing payment. If you have friends or relatives who could help you to pay the bedroom tax you will not get any discretionary housing payment”. I think it was quite a hard stance at the very start of the last financial year, but over the time there has been a bit more reflection and I am seeing people getting more discretionary housing payment.

**Chair:** I think that does reflect the evidence that we have had elsewhere. In the beginning people were not clear how much DHP there was going to be and whether it was going to run out and therefore there was a tendency to under-award to make sure that you did not end up short. Also there would be only short-term allocations, three months and so on. But some of that has now been overcome. That is a very helpful point. Thanks, Lesley.

**Q440 Pamela Nash:** I am the MP for Airdrie and Shotts, and North Lanarkshire Council is in exactly the same boat. They did face-to-face visits immediately and I still have people coming into my office who I know have had all the information who say they have not heard of DHP. You will know exactly how many are affected by the bedroom tax but how many of those are likely to be eligible for DHP?

**Marjory Stewart:** We know how many people are impacted by the bedroom tax. I can let the housing associations speak for themselves but in terms of the council stock there are 1,888 tenancies that are under-occupied and I think we have had applications for DHPs from about 1,150 of these tenants.

**Chair:** 60% then.

**Marjory Stewart:** It is going to be more difficult for the people who are going to be eligible for DHPs because we are not always aware of the circumstances, but we certainly are able to use the information we have on our housing benefit system to target the people. We are effectively targeting all the tenants who are impacted by the bedroom tax to—

**Q441 Pamela Nash:** Is it your instinct that that is about the right figure now, that 60% are entitled to it, or do you think—

**Marjory Stewart:** No, I believe it is higher than that and we still have people—

**Q442 Chair:** Could I just clarify that? Almost by definition, if somebody is being hit by the bedroom tax, would they not be eligible almost automatically to be applying for DHP? Since DHP is discretionary, it would be possible that everybody who is affected by the bedroom tax would be eligible for DHP. Is that not the case?

**Marjory Stewart:** It is possible, but in terms of the income that is available to cover the bedroom tax, we have to make sure that we are awarding DHPs to the people who are in the greatest need.

**Q443 Chair:** They are in the greatest need. I understand the issue that if you have a fixed budget you are going to prioritise those who are in the most difficult situations, but if the money was not the constraint, is there anybody who is hit by the bedroom tax who would not be eligible for a DHP payment?

**David Dorward:** Yes, there must be.

**Chair:** Tell me who that would be then.

**David Dorward:** Remember the bedroom tax is about under-occupancy. It is not about ability to pay rent.

**Chair:** The whole point of DHP is to take account of inability to pay per se.

**David Dorward:** Yes, it is. You could have a tenant who is under-occupying, who is not receiving that amount of benefit, who still has other sources of income and so on.

**Q444 Chair:** If they had other sources of income then would they be receiving housing benefit?

**Marjory Stewart:** The other sources of income are clearly disability living allowance and income sources such as that, income sources that are disregarded for benefit purposes, which is why they are still in receipt of benefit.

**Q445 Chair:** Which you have taken into account. Presumably the point of the need for the mobility allowances and so on will apply irrespective of somebody's housing situation and therefore it could be argued that they should not be taken into account. Your mobility needs are irrespective of the size of your house, except in extreme cases. I want to clarify, if the money was not a constraint, presumably everybody who is affected by the bedroom tax would be eligible for DHP, because the whole point of it being discretionary is that you are obviously having to exercise your discretion so that your spending ties in with your income. As I say, if that was not a constraint, can you tell me of anybody who would not qualify for DHP if you felt so minded?

**David Dorward:** If you are saying that the budget is not a consideration or the funding is not a consideration then almost every policy in this land would be capable of being introduced if funding was not the issue.

**Chair:** That is what I am trying to clarify.

**David Dorward:** I do prefer your line about abolition, because at this point in time the DHP is seen as a way of ameliorating the worst effects of that and that is the reality. I would rather we did not have to have a DHP system that is costing us an extremely large amount of money to administer and is putting a lot of people through angst to deliver that. I am not meaning our staff but individual citizens. I wholly support the idea that a much more prudent and efficient way of dealing with this would be not to have the bedroom tax, but that is obviously a Westminster decision. What we are trying to do as a council is use

the funding we have been given and the funding we have put in ourselves to the greatest effect by ameliorating that impact as far as we can.

**Q446 Chair:** I understand. If you have a limited amount of money and a much more substantial degree of demand there is going to be some form of rationing. I think we understand that.

**David Dorward:** To Lesley's point, yes, I think to start with councils, because we had no experience of this coming through, had an element of prudence that, "Before we blow our budget in the first six months, let's be prudent and work up that experience" and now we have seen a change in that attitude. Councils should be trying to spend 100% by 31 March of that financial year.

**Chair:** We don't think you are all bad. We appreciate that there were difficulties in the start.

**Q447 Jim McGovern:** You said, Marjory, that for the purposes of someone receiving housing benefit, it could be that alternative sources of income would be disregarded but for the purposes of DHP some alternatives would then be taken into account.

**Marjory Stewart:** In determining a DHP application, the officers take into account all income sources and all expenditure requirements.

**Jim McGovern:** Not for housing benefit but for DHP?

**Marjory Stewart:** For DHP. The calculation of housing benefit is set out in statute and it is quite clear what is included and what is disregarded. I think we have to remember where discretionary housing payments came from. It is a system that has been around for a long time before the bedroom tax came into being and it has rolled forward from there. There was not sufficient money available within the DHP allocation for local authorities to be able to deal with all the bedroom tax applications.

**Q448 Jim McGovern:** As David seemed to imply, the clue is in the word "discretionary". The council are bound by statute to disregard certain determined sources of income for housing benefit but they can apply discretion when it comes to DHP. I get the impression you are saying generally you apply it to say, "You have got other income that we are not allowed to take into account for housing benefit but we are certainly going to take it into account for DHP".

**Marjory Stewart:** We have had to in terms of managing the overall funding available.

**Q449 Chair:** That is a political decision by the council to take these things into account when matching demand with the supply of money. I understand that.

**David Dorward:** Sorry, I don't think it is a political decision. It is not a decision that we have taken to the elected members and said, "Will you take that?" We have taken that decision as officers.

**Q450 Chair:** So officials take that decision?

**David Dorward:** In Dundee that is what has happened.

**Chair:** Sorry, in a number of other councils it is the elected members who take the political decisions but if in Dundee it is officials who take the political decisions then that has helped clarify it.

**David Dorward:** For this particular decision the officers were given a limited budget to work with and they set down the rules on which this was going to operate in order not to breach that budget.

**Chair:** These are political decisions about how you come to that conclusion. Life is full of choices and you have made a number of choices. I am not saying that they are unreasonable choices. I just want to be clear that they are choices taken by officials.

**Q451 Jim McGovern:** It is not the first time it has been said that Dundee City Council is officer-led rather than member-led. I will repeat what the Chair said that every member of the panel does not have to answer every question, so you can maybe decide among yourselves. The Chair often says as well that we like to see you getting involved in a good argument with each other so we can have a laugh at it. Could anyone, and possibly it might be for John, comment on the Scottish Government's recent announcement that it would allocate extra funds to mitigate the effects of the bedroom tax?

**Cllr Alexander:** I am happy to comment. I think it is tremendous that the Scottish Parliament have broadly united to agree this funding coming forward. The point that should be made is that in my opinion the Scottish Government should not have to divert vital funding from other areas of government expenditure to plug Westminster's inefficiencies and poor policy decisions. This £50 million is extremely welcome and clearly will have the maximum top-up in the previous year in terms of DHP allowance up to the maximum permitted under DWP rules. I think the Scottish Government have done a tremendous job and at a local level I think we have done a tremendous job in trying to mitigate the worst impacts of this policy. It is a sad indictment that we are having to use devolved Administrations to plug these inefficiencies in the policies that are coming forward from Westminster.

There is also inadequacies in the current system in that we have housing policy that is devolved but we have the benefits that relate to that housing policy not devolved that throws up these difficult scenarios such as the bedroom tax. We have also had some missed opportunities, I suppose, at Westminster as well to deal with this policy and nip it in the bud in terms of eradicating it. We had that vote in the UK Parliament but that did not go—

**Q452 Jim McGovern:** Councillor Alexander, you talk about missed opportunities. At many of the meetings we have attended during the inquiry into the bedroom tax—and we have been everywhere from Cardiff to Castlemilk and all places in between—we have heard evidence numerous times that the Scottish Government had it within their gift to mitigate the effects of the bedroom tax. They chose not to do so to play a political game. John Swinney famously or infamously said, “We don't want to let Westminster off the hook”. Why did the Scottish Government allow so many people to be put into so much financial trouble to score political points?

**Cllr Alexander:** I am sorry, I think that is absolutely farcical, Jim. What you are doing is passing the buck for a decision that was made in Westminster to the Scottish Government and passing the blame to the Scottish Government, which is entirely farcical. I think what we need to do is take stock of exactly where we are and what has happened. I would rather be pragmatic in the approach from now in that that funding is there. In the previous financial year, the Scottish Government announced that they would bring the DHP allocation up to the maximum permitted under DWP legislation. That is more than any other devolved or administration in these islands and I think they have done a tremendous

job in safeguarding tenants and bringing forward policies that are helping tenants mitigate the worst of the impact.

**Q453 Jim McGovern:** My question, Councillor, was why did they wait nine or 10 months to do so when they had the money there right from day one?

**Cllr Alexander:** I think they did move quickly off the mark in terms of getting that additional DHP allocation in the first instance.

**Q454 Chair:** There is always a temptation to stray into other issues and to shoot the fish in the barrel. I think we should not deal with this one just now.

You obviously welcome the Scottish Government's announcement about the additional money. I think we all do. That has been a consensus decision coming forward from the Scottish Parliament. In my view, the one point I would make is that is partly why many of us wanted to get the Scottish Parliament set up so that they could take these sorts of choices about what happened. In reference to the previous point, the earliest time that the bedroom tax can be abolished is by the election of a Labour Government in 2015, but that is a political point that I did not really want to make. It would be unfair of me to raise that entirely.

Could I come on to the question of if the 150% limit was lifted, presumably the city council would be perfectly happy to spend more money on DHPs, would you, if you were getting more money?

**David Dorward:** Obviously if we were granted more money by either the DWP or the Scottish Government then, yes, is the answer.

**Q455 Jim McGovern:** If, and it seems likely, the DWP refused to lift the limit, how would you see the council proceeding? It is the officers that make the decisions here.

**Cllr Alexander:** I think what John Swinney said in his speech, and was backed again unanimously by the majority of the Parliament, was that whether or not DWP allowed the uplift in the DHP allowance, there would be another mechanism for getting that funding to local authorities or housing associations. If what you are asking me is what that will be, clearly I am not part of that discussion at the Scottish Government level about the mechanism that would come forward, but I don't have any qualms about the funding coming forward. I think we have all seen the announcement and we have all backed the announcement in terms of that money will be allocated one way or another to local authorities.

**David Dorward:** I know that COSLA and the Scottish Government are working on that as we speak to find a way of getting that money into local authorities' hands.

**Q456 Jim McGovern:** Is redesignation an option? Housing is devolved and it is within the power of local authorities in Scotland, and the Scottish Government certainly, to say, "That is not actually a spare room. That is a room that is required for another purpose". Is redesignation a possibility?

**Marjory Stewart:** I think it would have wider ranging impacts for the whole of the council's housing stock if you were to redesignate rooms and it is not one that we, as the council, have considered. I think in areas where this has happened before there have been specific house types that have lent themselves to that that would clearly apply to all houses of that nature and not just the people who are under-occupied. That would clearly have an impact on income levels for the housing revenue.

**Q457 Chair:** We had a debate earlier on about the merits of the DHP system in terms of non-take-up. If we accept that there are difficulties about DHP, even if there is money there, as I understand it DHP still requires somebody to apply. If you have a situation where people are not applying, you are going to continue to have a problem. If you therefore say that DHP is not fit for purpose in terms of being the main vehicle, are there other ways in which this can be tackled? One of them might very well be to say that we will meet from central funds all the losses that the council would incur as a result of the bedroom tax. If that proves illegal or too complex or there are cash limits in that, redesignation might very well be one of the ways of doing it. Taking account of all the difficulties that you mentioned, once you have done the sums for that and then recognising that there will have to be additional money given to the council to take account of rental losses, that would be a possible way forward, would it not, or is there a better way?

What we want to come out with is some recommendations that take account of the fact that the Scottish Government have now said, apart from the Tories, unanimously that they want to tackle this. If we recognise that DHP is not the best way of doing it, for the reasons I have indicated, what is a better way? How ought this to be tackled? I appreciate, as John said, that he is not part of the circle that is working on this, but if there are any routes that are identified we would want to be raising them.

**Cllr Brennan:** I think it is about all the register of housing providers, whether they are a council provider or a housing association, projecting how much rental loss and finding a mechanism to transmit that money directly to the landlords. There is a huge amount of officers' time, whether at the housing associations or at the council, assessing the DHP applications or trying to meet the tenants. It is a huge effort, and also for the tenants it is a huge amount of stress worrying about the rent arrears accumulating. There has been a lot about disabilities and, while it is recognised with people having a physical disability, one of the other ones is about mental health and the impact on people's mental health. One of the parts of my day job as a health economist is valuing GP appointments. A 10-minute GP appointment is valued at about £35. If you take the number of people that I have come into contact with who are affected by the bedroom tax that have been at the GP more frequently because of stress, that was meant to be saved or the penalty because of the bedroom tax—if you think of it in the sphere of the Christie Commission and it is all public money, it is almost double. It is increasing.

**Q458 Chair:** That is part of the reason why I think we recognise that DHPs is not the most efficient use of time of staff in the housing associations or in the councils, and it is wasteful. All of these reasons make us want to see another way. There has to be a third way, as somebody once said.

Can I ask David, wearing your COSLA hat, since you are here, Danny Alexander and David Mundell both said that the Scottish Government not only have the powers to deal with the whole of the bedroom tax, they always have done. Has COSLA been in touch with them to try to clarify what they had in mind at all?

**David Dorward:** Sorry, I don't have a COSLA hat other than serving on that joint partnership—

**Chair:** Sorry, I thought you said you were one of the officials or something.

**David Dorward:** I serve there as a SOLACE member, so as the Society of Local Authority Chief Executives, but I understand your question. There is constant dialogue

between the COSLA welfare reform officers and the Scottish Government civil servants on these matters, absolutely constant.

**Q459 Chair:** I was saying specifically that Danny Alexander, as an important Government Minister, said that the Scottish Government had full powers to mitigate the bedroom tax in its entirety. David Mundell has said the same thing. Have SOLACE or COSLA or whichever gang you are part of spoken to anybody to seek clarification about that?

**David Dorward:** I cannot give an absolute answer to that. I am not aware if they have and if they have what the answer was.

**Q460 Chair:** It seems to me fairly obvious. If somebody announces that you have powers that you did not think you had it would seem not unreasonable to actually go and check what they had in mind. Somebody should have done that but maybe not you.

**David Dorward:** I find it quite not right that a Minister who has brought in a particular policy then says that, “Another Government somewhere else has the ability and the powers to mitigate the policy that I have just introduced”. I find that quite odd.

**Chair:** It is true.

**David Dorward:** It is strange because in bringing in a policy, you would have thought they wanted that policy to be—

**Q461 Chair:** Remembering that the policy is essentially financially driven, they were going to achieve the same financial objectives even if somebody else steps in. The reality is that the saving will flow to central Government even if the Scottish Government mitigates the bedroom tax.

**David Dorward:** I suppose I have a wider interpretation of following the public pound here and what the public pound is. The net public pound of what you are saying is a zero sum game. There may be a saving in the welfare budget within Westminster but equally there will be a total expenditure that matches that somewhere else in either the Scottish Government or local government.

**Q462 Chair:** That is choices. The Westminster Government make a choice and then the Scottish Government make a choice. People can make different choices, and that is the joy of devolution, isn't it? I think the short answer is no, that basically—

**David Dorward:** I am not aware of it.

**Chair:** Okay. Could we move on to the question of evictions, Pamela?

**Q463 Pamela Nash:** We are aware the Dundee Council, about a year ago now, announced a no evictions policy for those tenants who are making every effort to pay the bedroom tax. How do you distinguish between someone who is making every effort to pay and someone who is refusing to pay? What are the housing associations' policies on evictions?

**Cllr Alexander:** The policy was taken in committee in March 2011. I do not know if you have the excerpt there or if you want me to read it out in the full detail.

**Chair:** I think we have the gist of it.

**Cllr Alexander:** What it does for us at a local level is it addresses not only the need for tenants to have that sort of security in terms of the tenancy and a safeguard mechanism. It

also allows the local authority to assess them and keep that roof over their head. This involves arrears in general. Eviction is always a last resort. Specifically with the bedroom tax, there were several issues that arose from that. I will just detail some of the figures.

Approximately 80% of our current housing stock is one or two-bedroom. We do not have the available houses for people to move into. We are constrained with the housing stock that we currently have and what we don't want to do is add any pressure to that, add any difficulty for the tenants maintaining that tenancy. What we have done is ensure after that policy that we have mechanisms in place for helping them help themselves. We have various teams within the council. We have welfare support. We have the Dundee Energy Efficiency Advice Project to help with energy costs and topping up their meters or cancelling some outstanding debt with the energy companies. We also have housing support who go and assess the house and see if there are any practical measures that we can do to ensure that they are able to maintain their tenancy. At a simpler level, what we also ensure is if they need help with any basic things, whether it be literacy or numeracy or income and expenditure, we can help them.

**Q464 Pamela Nash:** I understand that and they all sound like great policies, but the question was how do you tell the difference between a tenant who is refusing to pay a bedroom tax or someone who is unable to pay?

**Cllr Alexander:** There has been a period of time where we have been engaging with all tenants, or as best we can. What we have done over the last year is adopt a range of mechanisms. We have sent multiple letters that also have information on local third-party organisations that they contact for help. We have been working with those partners in terms of funding and upskilling their staff to ensure that whatever way we are engaging—

**Q465 Chair:** We are glad that you are making those efforts and the policy of your officials is quite a helpful one in that regard. To some extent that is what councils are for. We expect all that, but that is not quite the question you are being asked.

**Cllr Alexander:** Yes. I am getting to it, honest.

**Chair:** I am 63. I want to get an answer before I retire.

**Cllr Alexander:** Basically what we have done is an assessment of each individual. We have been going out and engaging with those individuals; it could be through door-to-door visits. Clearly there might be some people—and I would say that it is a very small proportion of people—who are not willing to engage whatsoever and we are still trying to engage with them, so at no point have we shut the door. At the moment, nobody has gone through any evictions process or anything like that. It is very much we are working with every single individual.

**Q466 Pamela Nash:** Does that mean it does not matter then if someone is engaging or not, that no one is going to be evicted because of the bedroom tax?

**Cllr Alexander:** My opinion is certainly that eviction does not benefit anyone. It does not benefit the council and it does not benefit the individual. What we need to ensure is that people are making all reasonable effort. Whether that is just engaging with the—

**Q467 Chair:** In our report we indicate that paying your rent should not be a lifestyle choice. We are in favour of people paying their rent. What we are trying to clarify with yourselves is, if somebody does not engage and does not make any effort to pay their rent, are

there circumstances in which you would consider eviction or do you simply have a blanket policy of, “We will never evict under any circumstances even if somebody doesn’t engage”?

**Cllr Alexander:** What I would say at the moment is clearly the policy that we had in place was for a transitional period of 12 months. That is coming to an end now. Under that policy we have effectively evicted no one who has arrears because of the bedroom tax.

**Q468 Chair:** What do you mean you have effectively evicted no one?

**Cllr Alexander:** We have evicted no one over that 12-month period solely because of the bedroom tax.

**Q469 Chair:** Solely because of the bedroom tax?

**Cllr Alexander:** Yes.

**Chair:** Have you evicted people for other reasons?

**Cllr Alexander:** I don’t have that information to hand.

**Chair:** The officials may be able to tell us. Two people have been evicted? Okay. So you do have a policy of eviction in certain circumstances.

**Cllr Alexander:** In general, all local authorities do.

**Q470 Chair:** We just wanted to be clear. It has been suggested that Dundee has taken a bold policy that says no evictions at all.

**Cllr Alexander:** In relation to the bedroom tax we have not evicted anyone in that 12-month period. The 12-month transitional period is coming to an end and we will be bringing a policy option to committee the following month so that the committee and elected members have that opportunity to question and decide on the way forward.

**Q471 Chair:** So you don’t have a policy going forward of no eviction under the bedroom tax? You have a transitional policy but this policy is—

**Cllr Alexander:** That will be going back to committee.

**Chair:** It is a bit like drawing teeth. I am trying to get clarity from you about what the policy of the council is.

**Q472 Graeme Morrice:** First of all, apologies for being late. I got the train up from Edinburgh this morning. Can I ask, John, on your particular policy of no evictions on the basis of people unable to pay the bedroom tax, how does that policy differ from what other local authorities in Scotland do? I am not aware that any other local authorities evict on non-payment of the bedroom tax.

**Cllr Alexander:** I could not really comment on other local authorities. I am not aware of each individual local authority policy. What I would say is that clearly on the back of the policy that we took to committee last year, all SNP councils backed by the Scottish Government endorsed our policy. That includes councils such as Edinburgh, which is a Labour SNP administration, which also passed a similar policy. So I would say on the whole that the majority of councils adopted a similar policy. I think there are 19 councils—I may be wrong—that involve some sort of SNP administration that have adopted that sort of policy. I am not aware of the other local authorities’ policies.

**Q473 Graeme Morrice:** I am not aware that any of the Labour local authorities in Scotland have evicted either. You say in your policy that the tenant has to make all reasonable efforts to pay. What about those that can pay but won't pay?

**Cllr Alexander:** I think there is a particular challenge there about people who are unwilling to pay on a point of principle. While you can respect the point of principle that they are completely against the bedroom tax and do not wish to take any part in it, and that includes paying that element of arrears, we are continuing to try to engage with them. What I am saying is that at no point in the last 12 months have we taken a decision that they are not doing what they reasonably can at the moment because we are continuing that level of engagement and trying to get them to fill out a DHP or work with us in some other way. We are not giving up on people. What we are saying is that we are working to the best of our ability, and that is with organisations outwith the council as well.

**Q474 Chair:** I understand all that, but basically you are saying that you have taken the policy up to now and you are going to review it. Presumably the concept of a review is that it may change. If it is not going to change there is no point in having a review. You have to decide moving forward what you are going to do with the can-pay-won't-pay.

**Cllr Alexander:** Sorry, I didn't pick you up on the end of that.

**Chair:** You are going to review what to do with the can-pay-won't-pay element?

**Cllr Alexander:** What we are doing is bringing back the policy for elected members to decide.

**Chair:** To decide, exactly. That is fine. Moving on.

**Cllr Brennan:** Sorry, could I just come in? The policy that went forward that was rolled out across Scotland was based on the back of my bringing the motion to the council. The Labour Group wanted to recognise the fact that we wanted the bedroom tax abolished by the Westminster Government but it is not just about protecting council tenants. I feel we have responsibility for constituents who are not in council properties and in housing associations as well. That is where I feel it should have been this time last year—the Scottish Government who had the mechanism. It was about protecting all tenants. There are more tenants in the social rented sector in Scotland proportionately than there are across the rest of the country. Given that we have a devolved system, there is a responsibility there for protecting those tenants.

**Chair:** We are going to come on to some of that later on. Thanks, that is a valuable point.

**Q475 Jim McGovern:** This one is a question of finance, so I don't know if Marjory, Ian and Steve might want to answer it on behalf of the organisations you represent, but it is open to the whole panel. Have you have seen the level of rent arrears rise since 1 April 2013 and, if so, is it possible to ascertain whether this is a direct result of the bedroom tax or are there other factors in there?

**Marjory Stewart:** Certainly I can talk about the council to start with. Our rent arrears at the end of January 2014 had increased by £635,000 over the previous year. You can't say absolutely that it is all to do with the bedroom tax but, in terms of the tenants who are currently identified as under-occupying their property, £503,000 of that debt is. So it is about five-sixths of the total debt.

**Q476 Chair:** Is that a doubling? Has that increased by 1%, by 100%? Just relate it to—

**Marjory Stewart:** It is over 30%, maybe 35%.

**Chair:** A 30% increase in arrears?

**Marjory Stewart:** Yes.

**Chair:** A 30% increase in arrears that you reckon is attributable to the bedroom tax. Is that right?

**Marjory Stewart:** Yes, absolutely.

**Q477 Chair:** Is that replicated in the housing associations?

**Steve Kell:** Not for us, no. We have 53 tenants who are not paying. Arrears have gone up slightly but would be probably less than 1% for a year. For the 53, we are engaging with people and trying to help them through the process. The hidden cost, as I said earlier, for us is staff and resources, and rental arrears have not been significant for us.

**Ian Thomson:** Our rent arrears have gone up over the past year by about a third. Of that, I would see about one-third of the increase has been due to the bedroom tax and two-thirds just being due to general economic factors and the fact it is tough for everybody out there.

**Q478 Chair:** I am intrigued. If we could just pursue that a bit further, what do you think Steve's association is doing that the council and your association aren't? Do you say 1%?

**Steve Kell:** It is probably less than 1%.

**Chair:** Are you 30% to 35% or thereabouts?

**Steve Kell:** On our total revenues it is less than 1% over the year but what we have done is put resources into it.

**Chair:** I understand that. I was not actually asking you. I was asking the others.

**Ian Thomson:** Is it 1% of the arrears or are you talking about 1% of your total rental income?

**Steve Kell:** 1% of the total rental income.

**Q479 Chair:** Sorry. In terms of the increase in the arrears, presumably it is a much larger figure than 1%.

**Steve Kell:** It would probably be about less than 20%, probably about 18% or something like that.

**Q480 Chair:** So you are not quite as good as we thought you were when you said the 1% figure but you are better than the others. We were going to give you a round of applause until Ian caught you out.

The other question that Marjory has possibly answered on behalf of the council but, Ian and Steve, how do you determine how much of the increase in arrears—that sounds like a contradiction in terms but you know what I mean—is down to the bedroom tax and how much might be other factors? Ian mentioned the general economic situation.

**Ian Thomson:** We know every tenant who is affected by the bedroom tax and look at how their arrears have changed over the past nine or 10 months. That is where we see the

increase that we could attribute to the bedroom tax, although obviously these tenants will be affected by other pressures as well no doubt.

**Q481 Chair:** What about you, Steve? I know it is not an exact science.

**Steve Kell:** It is all down to the work that is done within the teams. You do your monthly monitoring or whatever and then you will target visits or that type of thing, people who have not paid or missed payments. It is very much the same as Ian. There are other factors that are contributing to rent arrears but the bedroom tax certainly has been something that has caused us grief.

**Q482 Pamela Nash:** How much do you know about what choices your tenants are making at the moment in order to pay bedroom tax? For instance, are they taking on extra work or trying to generate extra income? That is to you as well, Steve. Also is there evidence of your tenants moving out of your houses because of the bedroom tax and into the private sector?

**Steve Kell:** If somebody terminates a tenancy then we will do a survey with them of the reasons that they are moving. There has been an increase in the people that move because they can't afford to pay or they are maybe moving back to their parents, things like that.

**Q483 Pamela Nash:** Do you ask them about the bedroom tax?

**Steve Kell:** One of the questions is, "Is it because you couldn't afford to pay your rent?" When you are doing that survey you will dig a wee bit deeper and find out the reasons why and if there are ways that we can help them stay by perhaps increasing their income through different benefits, we would target a visit to that person. But there certainly has been an increase in the terminations. There has been an increase in mutual exchanges, people wanting to move so that they are not going to be affected by the bedroom tax. There has been an increase in all of that without a doubt over the last 12 months.

**Ian Thomson:** It is very much the same. It is not always possible to tell. We get quite a lot of properties just abandoned. Whether that is because of the bedroom tax or other reasons we never actually know but certainly, as Steve says, the increase in tenancy turnover has been huge. We have seen a 50% increase in the number of tenancies being given up over the last year, compared with the year before.

**Q484 Pamela Nash:** Is that about the same hike for you?

**Steve Kell:** We would probably be about 30%, but yes, but that is a big increase.

**Q485 Chair:** Can I ask just about the council figures then for the same sort of group?

**Marjory Stewart:** Yes, I do not have these figures with me. I do not know if John has these figures to hand, but there certainly has been an increase in the current financial year in the turnover of tenancies and the kind of void losses to the council as well.

**Q486 Chair:** Mutual exchanges: when we were in both West Lothian and Falkirk, they said that they had schemes to incentivise people to move anyway and they felt that was a better way of doing it. Presumably you have that as well, do you, ways of incentivising people to move?

**Marjory Stewart:** Certainly the council were very early. In fact, I think we were probably the first council in Scotland to bring forward a housing incentive scheme, and that was back in February of 2013, which is a cash incentive as well to encourage our tenants to move into other properties that are not impacted and would not be impacted.

**Q487 Chair:** We congratulate the officers for that policy then, but can I just clarify on this question of abandonment? That is almost, in a sense, self-eviction, isn't it? That is hidden eviction. How many cases of abandonment are you experiencing?

**Steve Kell:** On average, there has certainly been an increase over the last 12 months, but we would probably have in the region of about 20 to 25 per year.

**Q488 Chair:** Compared to what before then?

**Steve Kell:** Probably half that.

**Q489 Chair:** Right. What about Ian?

**Ian Thomson:** I cannot give you exact figures, but I am happy to provide them later, but certainly we have seen probably an increase, yes.

**Q490 Chair:** What about the council then?

**Marjory Stewart:** Again, we do not have these statistics.

**Q491 Chair:** Is it your impression that there is an increase though in people abandoning their council houses?

**Cllr Alexander:** I do not think it is significant. I think there probably has been an increase, but in terms of the actual number, it is probably quite limited. The void figures that we have, the latest ones I had, we were sitting at 1.9%, which is 249 properties. They will be a range, going through relets though, but that is—

**Q492 Chair:** Yes, that is right. They are not comparable are they, because people die, all sorts of things. Certainly one of the issues that did come up that we have not quite pursued as rigorously as maybe we should have is this question of abandonment, because essentially, as I say, that is almost self-eviction.

**Cllr Brennan:** Sorry, can I give you a few? Through the experience of being in the bedroom tax group, we have obviously anecdotal evidence of what people are doing to pay the bedroom tax: people skipping meals. Somebody that I had not seen for a few months, she had lost a bit of weight, and she was saying, yes, she is just not eating two days a week, because she is on just a basic Jobseeker's Allowance and she wants to pay, so she was skipping meals. One of the others, this woman contacted me last week. She is a housing association tenant and because of changes in her household, she is the only person now living in a four-bedroom property. She had income of £71.70 a week and she is expected to pay £24, so nearly a third of her income. She did not get discretionary housing payment. She felt she had been harassed by the housing association, phoning her up and asking her how she was going to pay; because it is a four-bedroom property, she would be better off living somewhere else if she had a smaller property, because a family could enjoy that house. She really felt quite harassed and she has been diagnosed with severe mental health problems, the anxiety has been building up. What she did two weeks ago was borrowed £900 and signed an agreement to enter a private sector let, a two-bedroom let. She has obviously not had any advice with regard to paying the rent, so the rent on this new property is less than her current rent. However, it is significantly higher than the Local Housing Allowance, so I have advised her to go and get proper advice, because she has borrowed that money I think truthfully in a

state of real sort of anxiety, this is the way she has reacted. If she does not get proper help, she will end up homeless because of her rent arrears in her new private sector property.

I think this is the thing, people acting almost irrationally because there is a huge amount of anxiety. So she signed for a two-bedroom private rented sector property and when I spoke to her, she said, “But will I get discretionary housing payment?” because the day after she signed for this property, she received a letter saying she was now eligible for the discretionary housing payment and that had wiped out her arrears and she would get it paid for the next financial year. But she signed for this private sector property, £900 she has forked out, she has borrowed just to get out of this situation, where if she moves in here, there is an £80 gap every month. I do not know whether the local authority will allow her to get discretionary housing payments each month going forward for this property, because it is only for usually limited time, but she is under the impression that the property is smaller than what she was in just now, therefore surely they will cover the rent. That is the thing of people not getting the right support and feeling the need to get out. It is a pretty tragic case.

**Q493 Chair:** Just on that, in terms of people moving into the private rented sector, I do not know how large and vibrant the private sector is in Dundee, and our experience elsewhere has been that first, it is limited in size, and secondly, the rent tends to be much higher than in social housing. Indeed, in many circumstances, people who move as a result of the bedroom tax pressures into a private sector let end up with a higher rent for a smaller house than they had before. There is lots of heads nodding, but I think somebody has to say something in order that it can be recorded.

**Cllr Brennan:** The 2001 census for Dundee, the private rented sector was 11%, okay, so that has now increased by a third, so the 2011 census shows that the private rented sector is now 17% of all the market in Dundee. You are right, so if somebody was occupying a three-bedroomed council property in Dundee with an average rent of about £80 and they downsized, say if it was an adult and a child and they had one spare room and they downsized to the private rented sector, going by the Local Housing Allowance, that is £103 a week, so you are increasing the housing benefit spend by £23 a week. It just does not make sense.

**Q494 Chair:** The other element, the Government suggested that, yes, people should increase their income. Appreciating the points that have been made already about benefit take-up, we understand that. There seemed to be an assumption from Government that there were lots of people in part-time work that could just get more work and add to their hours. Has that been the experience in Dundee or is that a route that is closed?

**David Dorward:** That comes down to the local employment market, doesn't it? I would have to say on Lesley's point there that the level and extent of support services available mainly through the voluntary sector, but also through the private sector, are quite extensive in Dundee. I would just implore my elected members to make use of that for their constituents.

**Q495 Chair:** All of us who are elected members, irrespective of party, know that there is a whole number of people that slip through the net, that they come to you after they have done something. We have already picked up the point about the mental health, learning

difficulties, pride, chaotic lives and all the rest of it. If people were making rational decisions, we obviously would not end up with most of the casework that we do get, so you are right, I understand that, but we are where we are. Is it reasonable for us to say that in Dundee the question of getting additional hours to meet the cost of the bedroom tax is not a serious option?

**Ian Thomson:** It is not something we have seen to any significant extent. There may be a very small number of people who are affected who have gone into work, but it is a very, very small number.

**Chair:** Okay, and lodgers—

**Q496 Jim McGovern:** That is a question I want to ask. We have asked at other evidence sessions with other local authorities throughout Scotland and beyond and most people are horrified. What Lesley has just said about people saying that they would not eat for three days a week so they can try to pay their bedroom tax is absolutely horrific, but what in some ways is equally horrific is, for example, a single parent, a single mother perhaps with children, having to take in a lodger, perhaps someone she does not know. Is that lodger to go through some sort of disclosure or are they just taken in, the next bedroom to the children, is that what happens?

**Marjory Stewart:** There would be the usual approval process, tenancy checks in terms of anybody taking in a lodger, but I have to say that that is a DWP recommendation for people to ameliorate their situation. It is certainly not something the council actively encourages in any shape or form.

**Q497 Chair:** But it does not bind them, the council would allow a council tenant to sub-let a room to a lodger unknown?

**Cllr Alexander:** It is permissible under the legislation and also the tenancy is held by that person that is living there. If in their opinion they want this lodger to come in, we cannot then do a retrospective check on their suitability for living with a child. That does not come into it. We have our checks that we do for tenancies in general and those would be adhered to. I think if you need a lodger—

**Q498 Chair:** Surely the potential implications of that are just—

**Cllr Alexander:** Absolutely, I agree. I think taking in a lodger is just a stupid idea, quite frankly, and anecdotally I have had constituents that have taken either nephews or a grandson just as a sort of stop-gap measure in that period of time just until they get themselves in a position that they are either financially capable or in a position to move property, and that is not a position we want any tenants to be in, quite frankly.

**Chair:** No, I agree. Most people, in my experience, want to get rid of members of their own family, never mind taking in people from other families.

**Q499 Pamela Nash:** Can I just add, my experience, Councillor, is perhaps that is a bit different, so what we are talking about here, you might have raised another issue there. We are talking about taking in lodgers to pay rent, and as an elected member as well, I have seen evidence of people having family members in the house so they are not eligible for the bedroom tax any more, because that room is occupied. Is that something that you are seeing here as well?

**Cllr Alexander:** I do not think it is in any sort of significant number, but again, it is happening and I have seen that coming through myself as well, like yourself.

**Q500 Pamela Nash:** Can I just ask the housing associations, is there anything in your rules to prevent people taking lodgers, or indeed, is that something that you have advised?

**Steve Kell:** We would have an application form and somebody would apply for permission to take in a lodger, so we would then just go through that and if it was all above board, we would give approval.

**Q501 Pamela Nash:** Has that happened recently?

**Steve Kell:** Not to any great extent, no. I do not think there has been any cases where there has been somebody has taken in a lodger.

**Ian Thomson:** Very much the same. We do allow people to take in lodgers, but we do not encourage it. It was an obvious thing when the bedroom tax came in, but we took a decision that we would not encourage it. We do provide information, kind of a health warning sort of thing, because it is not to be done lightly, yes.

**Q502 Pamela Nash:** We will move on, as I know already we are over time. One of the recommendations from our report was that someone should not lose the housing benefit and be charged the bedroom tax unless they had refused a reasonable offer of a smaller property to downsize to. Can I just ask what you think about that, and in terms of council policy and your policy, is there already a clear definition of what a reasonable offer would look like?

**Steve Kell:** What happened to choice then? That is virtually forcing people to move. If somebody has a home, why should we force them to take something else? I just do not agree with that at all.

**Q503 Pamela Nash:** I am playing devil's advocate here when I say this, but the choice would be then to move, because the UK Government said—and they have in this policy—one of the ideas was to encourage people to move to smaller properties or to pay the extra money, so that would then be the choice. But I think your point was that at the moment, people do not have that choice, the vast majority do not have a smaller property to move to.

**Steve Kell:** Yes, what you are saying there is if somebody refused to move from a three-bedroom to a two-bedroom that they would lose the housing benefit on the three-bedroom.

**Pamela Nash:** No, sorry, they would have to pay the bedroom tax.

**Steve Kell:** Oh, right. Sorry, yes. I thought you meant they would lose the whole housing benefit.

**Pamela Nash:** No, not the whole benefit, just that difference.

**Q504 Jim McGovern:** Some of the examples we have heard, some of the more exaggerated ones, somebody lived on Barra and the council said, "We have a house for you in Stornoway and it means you are going to have to get a ferry back and forward every day to

go to work". You would imagine that they would be able to say, "That is an unreasonable offer". In Dundee terms, if somebody stays at the far end of Menzieshill and they are told, "We have you a house at the far end of Whitfield" you would think they would be allowed to say, "That is an unreasonable offer".

**Cllr Alexander:** I think I would go back to the point that we do not have the availability of the houses, so that is certainly not something that we would do in Dundee, that sort of forcing people to take a house against their will. I think that sort of flies in the face of housing options and the approach that we are taking in Dundee, but I go back to the point that in terms of the availability of the smaller houses, we do not have the capacity within Dundee to move these people into a smaller house, so whether or not we had that policy, it would not matter, because we could not move them.

**Q505 Pamela Nash:** But I think that is a point we are trying to address in recommending this, that if someone is not given a reasonable offer, then they should not be paying the bedroom tax at all, so I go back to my original question: is there already a clear definition for the council and housing associations as to what a reasonable offer would look like?

**Steve Kell:** We do not have a policy on offer, so it is as many offers as it takes to get them the house that they want, so they could have five offers, they could have six offers. Where some people maybe say, "You get two offers and that is it" we just keep offering until we get something that is—

**Q506 Pamela Nash:** That is interesting, because that is certainly not the case across Scotland in terms of offers. Is that the same for the council?

**Cllr Alexander:** Yes. We do not enforce any sort of criteria in terms of, "You must have this many offers and if you do not accept it, then you are off the list". We do not do that. That was removed. I think the previous policy was three and then you are back—

**Chair:** I hope you can understand the point that we were trying to make to Government. While we are favour of abolishing the bedroom tax altogether, nevertheless if they do not agree to do that, in the meantime we were arguing it should not be applied unless somebody could be given a realistic alternative. The issue then with those is, "Do you have definitions of what a realistic alternative is?" That presumably is something that if that was the rules, you could work that, taking account of the Stornoway borough, one end of Dundee to the other. That is workable and doable. People nodded, so I take it that is assent, and I am just putting that on the record.

**Jim McGovern:** Enthusiastically.

**Chair:** Enthusiastically, okay.

**Q507 Pamela Nash:** I want to ask the council, for those who do want to downsize and have actively indicated that to the council as a tenant, if they are already in arrears either because of the bedroom tax or otherwise, would that prevent them from moving?

**Cllr Alexander:** No, that would not prevent them from moving property. Clearly we will be looking at the case and seeing how best, not only for the tenant but for the council, and downsizing that property, if that removes that burden of the bedroom tax.

**Q508 Chair:** But some councils have a policy, “You can’t move if you are in arrears”. You do not have that policy?

**Cllr Alexander:** No, and I should say in terms of mutual exchanges, I think the previous policy was if you had some arrears then we would not permit a mutual exchange. We have also done away with that, so we are now looking at—

**Q509 Pamela Nash:** Was that in response to the bedroom tax or is that previously?

**Cllr Alexander:** Yes, definitely. That was a decision I took in the early stages.

**Q510 Pamela Nash:** So previous to that, the policy was that if you were in arrears, then you would not be allowed to move?

**Cllr Alexander:** Mutual exchange.

**Q511 Pamela Nash:** But not otherwise?

**Cllr Alexander:** No, not otherwise. We would be looking at the case.

**Steve Kell:** We have moved two or three people that were in rent arrears to allow them to downsize. We have a tenants’ fund, which is sort of gifted, things that will help pay the costs of removal, so that people can apply for money to help them move. We have certainly done that and that has been quite successful, but arrears we have just said no, we will just ignore that and let people move.

**Cllr Brennan:** Sorry, can I just make one point? Obviously there are different lets, but as for the councils, 25% of all the lets go to the general needs list, which is the people who are affected by the bedroom tax who are on that general needs list. Of the 25% of the lets, assuming everybody wanted to move, okay, it would take about 10 years to clear that backlog, just because of the 25% of all the lets, this was about 900 lets a year from the council and 25% and it was about 3,000 or even 2,000. So it is about finding different ways of how to manage it, so that is why about swapping, and for many people, they just do not want to move, because it is part of the community. That is where their families live.

**Q512 Chair:** That is right. If I remember correctly, in one of the councils, I think it was when we saw people, they reckoned that 30 years to move people with the turnover that they had and the number of people. There is a number of points that we think we have covered elsewhere that we were not going to explore with yourselves, the question of the demand on the houses and the dilemma that the councils and others have about do you allocate to people who are in bedroom tax difficulties as distinct from other priorities and all of that, but we will leave that aside at the moment.

**Cllr Alexander:** Can I just add something to what Lesley was saying, just to provide an accurate record about the 25% that goes to general needs, it is just that is under review. We have just recently taken that to the Housing Base Review Board, which encompasses tenant representatives as well as council officials and other representatives from Shelter and then other organisations. So that is under review and that will likely change upwards, so that we will be allocating more houses to the general needs group.

**Q513 Chair:** Sorry, what does that mean then? More houses to the general needs group obviously means less for who?

**Cllr Alexander:** At the moment, we have the homelessness group, who have the majority of the—well, not the majority, but the largest quota. We have the general needs group and we also have a choice group. Now, the choice group we will be removing, or that is the proposal, and the consultation results are just back from that, engaging with tenants and tenants' organisations, because that choice group is an element where people have no discernable need for any type of housing, so there is no point allocated against them, it is merely that they do not like their house any more and they fancy a move. But as we have so many people with an acute need, they need a property, that is much more important, and fundamentally that is what social housing is there to provide, that we are looking to change that and we have already been out to consultation.

**Q514 Chair:** But social housing is not just simply surely there as residual housing. If somebody moves and it is their own choice, it is not as if they burn their house down behind them. If somebody moves, there is a house vacated.

**Cllr Alexander:** Sorry, I should say we are getting rid of the choice group as it is, so there will be no sole choice that has allocation. That does not mean they will not be able to put in an application to the housing department. That will be encompassed into a wider group that also takes in factors such as demolitions.

**Cllr Brennan:** But if they have zero points, they are going to be at the bottom of the list.

**Cllr Alexander:** In essence, they are anyway in terms of the way the policy works at the moment, because obviously—

**Q515 Chair:** Fascinating though this discussion between councillors is, you touched on the question of homelessness, and one of the arguments, the lines that we have had elsewhere has been the suggestion that people were unwilling to come out of homeless accommodation into houses that were available but might be too big for them because they would then end up incurring bedroom tax arrears and find themselves in financial difficulties. That is a question of mismatch of property sizes. Is that something that you have been experiencing in Dundee, and does that therefore mean here, as it was I think in West Lothian and Falkirk, that you then have a blockage in the homeless accommodation because you cannot get people out of there?

**Marjory Stewart:** I do not think that has been a major concern for us, because through the housing choices, what we are trying to do is match these tenants with the properties that matches their needs, so we would not deliberately put them into that situation. So there are some difficulties, particularly with the three-bedroom properties, we are having—

**Q516 Chair:** Sorry, but the argument was that some of these bigger houses you could not let to people that were not going to incur difficulties with the bedroom tax and one particular group that were wanting accommodation that the council and others wanted to accommodate was people maybe in homeless provision. They will not want to move into the bigger houses, because they would incur the bedroom tax, whereas in the past, they might have, because they would get it paid by benefit, and they would then first have a house, and secondly, vacate homeless accommodation. That, in our view, in our experience, was then resulting effectively in an increase in homelessness because the homeless unit accommodation was then blocked up and you could not then get people into it. Has that been the experience here?

**Marjory Stewart:** Certainly not to that extent it is having an effect on homelessness. I would not have said it is as big as that.

**David Dorward:** I think 80% of our stock is one and two-bedroom and we are certainly not seeing in our homeless units that blocking up.

**Cllr Brennan:** But there have been people who have taken on a new tenancy that have been affected by the bedroom tax straight away.

**Marjory Stewart:** Yes. They still have personal choice, that they are given advice as to what the implications are.

**Q517 Chair:** I am going to try to draw this to a close, because we are enjoying ourselves that much that we have run on for half an hour or so.

Can I just clarify about disability, first of all? Do you have any information about the proportion of your DHP applications that have come from disabled tenants? Two points to that: first, have they been accepted or rejected, and secondly, how would you class disabled, because I think that there are issues about people self-defining as disabled as distinct from maybe having a mobility allowance and the like. Do you have anything on—

**Marjory Stewart:** I certainly do not have that information with me.

**Q518 Chair:** Maybe some of these things we can get our staff to get in touch with you. There were a number of things that we wanted to ask, some factual points, but it is probably easiest that we just get our staff to contact you about all of this then.

The question of significantly adapted accommodation, there is the issue there about if costs have been incurred, adapting something. Do you have definitions of that and have you any observations to make on that, about the question of where the council has spent money specifically adapting a house for somebody where the benefit tax would then be incurred or are you covering that just by paying DHPs?

**Marjory Stewart:** This is an increased cost of their rent—

**Q519 Chair:** Yes. They may be under benefit tax regulations, they are under-occupying, but the argument would be that maybe their house has been specially adapted for them at substantial cost. If you moved them out of say a three apartment into a one or a two and you incurred all the costs again of installing the adaptations, following the public pound, it does not make sense, but would you cover that by just paying DHPs?

**Marjory Stewart:** DHPs, yes.

**Q520 Chair:** That is the just the norm for that, so in a sense, that is overcome there, okay. Have any of your tenants taken you to a tier 1 tribunal?

**Marjory Stewart:** I think the first appeals are being held this morning. There was three today.

**Q521 Chair:** That is at tier 1 rather than tier 2?

**Marjory Stewart:** Oh, definitely. We do not have any tier 2. We are quite at the end of the process in terms of other councils have been there much earlier than ourselves.

**Q522 Chair:** Right, okay. Can I just come back to this question of, unless I am mistaken, we are identifying that DHPs have substantial difficulties as a mechanism for addressing some of these issues and that other ways are better, but these have not been properly explored. Can I just clarify whether or not you have a view on the question of dealing with arrears that have already been built up? At the moment, as I understand it, the Scottish Government's position is that it will provide money going forward to ameliorate the bedroom tax, but obviously that leaves arrears. Now, are there any observations that you want to make to us on that?

**Marjory Stewart:** I suppose at this point in time, we are sitting obviously with a higher level of rent arrears, that we are providing for not the whole amount, but we are providing for a large proportion of that in our housing revenue account at the moment in terms of non-collection.

**Q523 Chair:** What we have said, just to clarify, in our subsequent recommendation, after we had met Falkirk and West Lothian, was that we thought if the Scottish Government had agreed that they were going to ameliorate the effect of the bedroom tax going forward, they should be writing off all the arrears as well. Would that cause you any difficulties?

**David Dorward:** Would they plan to abolish the councils as well?

**Steve Kell:** We are still a landlord, so we still have to get income, and if that was the case, then you would hope that they would retrospectively pay what is outstanding.

**Q524 Chair:** Yes. Right, so the point would be then that if the Scottish Government, as we understand they can, transferred money to the housing providers to cover the write-off of arrears, that would not cause you a problem, would it? Can you see any difficulties with that?

**Ian Thomson:** The only difficulty I can see is that there are tenants who have been paying—

**Q525 Chair:** Sorry, that is the next point. The writing off of the arrears, does that cause any difficulty?

**David Dorward:** I think in accounting terms and housing terms, no, obviously it would not. It could be done. I think there is an issue in terms of what does that mean for tenants who have been paying?

**Q526 Chair:** If we clarify that writing off the arrears in that regard is not a problem, turning then, Ian, to your point about, as it were, the moral hazard of those who, as Lesley mentioned, had scrimped and scraped and gone without food, how do you think that should be addressed?

**Cllr Brennan:** I think it should be given back if we are going to do it justly, because then you are creating a moral hazard effectively if you are going to write off the arrears, because I do not think it is fair, especially for the council tenants, if it is going to sit in the housing revenue account and the tenants almost are servicing that debt. I think it is about paying back those that have paid it already.

**Steve Kell:** For me it would be anybody that was affected by the bedroom tax was refunded everything to their rent account, so those that have paid would then be in credit, so we would be able to refund them the money through a credit, and those who have not paid, it would clear that debt that was there.

**Q527 Chair:** Our recommendation was that arrears should be written off, and in order to avoid moral hazard, then people ought to get that refunded. Sorry, the people that had paid it should get refunded it. Now, the mechanism for that I am quite happy to leave somebody else to work out. Has that caused the council any problem? I do not know whether or not this is a matter for the officials' policy or for the councillors' policy, but either of you, does that cause any difficulties?

**Cllr Alexander:** In terms of receiving money to the HRA, clearly that is not a difficulty. It would be a benefit, I think. There would be a difficulty in terms of the Scottish Government setting their budget and finding that extra resource.

**Chair:** But to be fair, you are representing them today.

**Cllr Alexander:** Exactly, that is what I am saying, so just from a council perspective, clearly that would not be difficult.

**Q528 Chair:** So you think that the council would support that position?

**Cllr Alexander:** Support the position of?

**Chair:** Support the position that if the Scottish Government are finding the money to ameliorate all effects of the bedroom tax going forward, they should also first write off arrears, and secondly, refund the money that people have already paid.

**Cllr Alexander:** I think clearly if the money was available, then we would all support any of the proposals put forward. Clearly it is the money that is the issue here, and where budgets are confined at local authority and Scottish Government level, that might be a difficulty, but if the money was available, clearly we would support it.

**Q529 Chair:** It is a question of priorities. You are in politics: it is a question of priorities, people make their choice about what is more important.

**Cllr Alexander:** Yes, and Westminster made their choice with the bedroom tax.

**Chair:** Absolutely, absolutely, which is why I voted against it. Absolutely. The sooner we get a Labour Government and abolish it, but there again, that is not a point that I should make a venue like this and I will not make it.

I think we have covered all the points. Is there anything—

**Q530 Jim McGovern:** Can I just raise very quickly one point? I will keep it brief and I am sure the panel will be able to keep their answers brief, but in our travels throughout Scotland and elsewhere, when we have said to social landlords, including councils, “Your policy in the past has been about two or three-bedroomed houses” and almost everywhere we have been, they have said, “Yes, that is right, two and three-bedroomed houses”. We now find ourselves in this situation where there is not enough housing stock for people to downsize into. What does it mean for social housing in the future? Social landlords are now going to say, “We had better stick to one-bedroomed houses or two-bedroomed houses or how do I address the situation?”

**Cllr Alexander:** I think it has to be quite a balanced approach, clearly. The local authority in Dundee had a housing needs demand survey taken, which looked at our housing mix and has seen the areas where the pinch-points were, and that clearly indicated that we did not have enough larger houses, so that is three and four-bedroom properties, and clearly 80%

of our current stock are one and two-bedroom, so that is a mismatch there and it is how you address that.

I think the other thing, we have been working in Dundee with our local RSLs to bring forward other proposals and there is an element in that of providing smaller houses and some of the larger houses, so we have development on the go at the moment in the west district office in Lochee, which will predominantly be one and two-bedroom properties. We also finished last year council-build flats in Hilltown, which was on Ann Street, which are predominantly one and two-bedroom properties.

However, I think we have to be very careful in not sort of a knee-jerk reaction to the bedroom tax and understand—

**Q531 Chair:** I think everybody in the room wants to see it abolished. If it is not abolished, how do we address the situation?

**Cllr Alexander:** Yes, so I think we have to be very careful moving forward about how we address that housing need, but clearly for Dundee, the survey that was taken indicated that we need larger properties in Dundee as well, so we have to balance that and develop a housing mix that is appropriate for Dundee, which might not be appropriate for other local authorities.

**Chair:** Anybody else want to comment on that?

**Ian Thomson:** Yes. I think the single biggest problem is the lack of one-bedroom properties and the focus of the bedroom tax on single people only being eligible for a single bedroom. Now, one-bedroom properties are not particularly a good option for long-term housing. It is fine for a temporary—

**Chair:** Why not?

**Cllr Alexander:** Because generally people's lifestyles change, their life choices change and a one-bedroom property is likely to be very short-term tenancies, probably a lot of single people with problems of their own. Yes, two-bedroom properties are far, far better.

**Q532 Chair:** One of the things we have heard elsewhere that we are inclined to support is the view that the bedroom tax is forcing councils and other builders of social housing into a situation where they are building smaller than they might want because they would prefer to build something larger, because it gives enhanced flexibility, as you said. They are building homes rather than just simply accommodation units and the financial difference in construction costs between a two and a three and one and so on is not so large as to make it an irrational choice to build slightly larger on spec, as it were. Would you generally be supportive of that sort of position if people have taken that view?

**Cllr Brennan:** Yes, I would support that. Yes, I think it is about making sure that the stock is flexible enough, especially with a relationship breakdown and people staying over and providing care, so I think it is about having that sort of stock, and also about the changes to the grant for development changing from £70,000 per unit to £40,000 per unit, it is about making sure that the rents are affordable as well. That was one of things that I did at

university, was monitor rents in the social rent sector, and I must admit, I was quite surprised becoming a councillor and one of the new build council properties to be built was £118 a week, but I think that is to do with the level of funding for the grant, so it is about making sure that affordable housing and social housing is truly affordable.

**Q533 Jim McGovern:** I think in terms of the size, I think everybody would agree that since the Second World War, or even pre-war, social landlords, including councils, have built on the basis of two-bedroom, three-bedroom size, four bedrooms and we are now finding ourselves in a situation where people are being penalised for having an extra room or under-occupancy or whatever, bedroom tax, as we would call it, so the point I was making was in terms of future plans, and Councillor Alexander thinks quite right to say there should not be a knee-jerk reaction to this and say, “Right, we will make everyone one-bedroom from here on in” but there has to be some sort of future thinking. You need almost to say how many people are going to live for so long and how many people are going to need that size house, how many people are going to need that size house? Certainly it is worthy of some reflection and some thought.

**Cllr Brennan:** I produced a number of housing needs and demands studies in the UK, and we made recommendations to a number of local authorities in the north-east of England. We did that, predicting how much housing supply and what size, given the different households, and they asked us to take out the recommendation for one-bedroom properties, because it is not financially viable for them to develop one-bedroom properties, because given the amount of subsidy for the development, then it is better for them, so they did want to develop. So I do not think it is right to be penalising tenants for institutional instructional factors.

**Q534 Chair:** Right, I think we have covered all the points that we want to raise. As I indicated earlier on, are there any points that any of you feel that we have not touched on? We will come back to you for some factual information, but anything that you feel that we have not covered so far? John.

**Cllr Alexander:** One particular issue, and I raised this with David Mundell on a recent visit to Dundee, that I do not feel is quite as concerning for me as a local politician and given in the Dundee context, but it is in terms of temporary accommodation and what we provide in Dundee. A lot of our temporary accommodation is owned by the local authority and clearly if we lease it, it is not in the same category for bedroom tax. Now, this was raised with David Mundell twice now at least and your bog standard answer more or less—

**Q535 Chair:** We have picked that up. I cannot remember the detail. Could you drop us a note just about the detail, because I think this is something that is not particularly contentious, it is just a question of your rules and so on and how they are applied and stuff.

**David Dorward:** The rules do not impact on England and Wales, this will only impact on Scotland per se, so in England and Wales, particularly the London authorities, they have a similar problem with temporary accommodation but it is owned by the private sector. What you have seen is one of the boroughs moving families to Birmingham or wherever to address that problem. Nowhere else is there that same scale of problem as in Scotland, where it is the local authorities who own the temporary accommodation. My fear from the Universal Credit Partnership groups that I attend in London is that it is seen as only a territorial issue in Scotland and therefore we are not going to change the rules and regulations just because you

have a particular problem in Scotland because the local authorities own the temporary accommodation.

**Q536 Chair:** If you give us a note about that, because it is quite technical, it is another subject in itself. No final points?

**Cllr Brennan:** Only one point. I think it is about recognising that there are a number of people who are in work, so in Dundee there is 12% of people who are affected by the bedroom tax who are in employment, so it is not just about trying to get people back into work, it is recognising people who are in work.

**Q537 Chair:** Are these people who are in fulltime employment or mainly part-time?

**Cllr Brennan:** I cannot tell that from the DWP data, it just says they are in employment.

**Chair:** Right, fair enough. Yes.

**David Dorward:** I suppose my issue here is in terms of the very narrow focus, and I am not detracting from the bedroom tax and the impact it has had, £600,000 of arrears in a year. The Hallam University said in Dundee the welfare reform in totality will have a loss in benefits of £58 million per annum, so that bedroom tax element is 1% of that £58 million. My plea to you is not to lose sight of those other very important changes that are going to focus on vulnerable people, and that is in particular the DLA to PIP move, this is I think going to be as onerous, if not more onerous, on the individuals, so that is one concern I have.

Employability: in the last year to September, we have seen 3,600 Dundee citizens hit via JSA sanction. Now, that is a dramatic impact that we are having to deal with through the Scottish Welfare Fund and other issues, so it is not just simply the bedroom tax, and my plea to you is to look at the wider welfare reforms. We have not even discussed Universal Credit and the impact that that is going to have on individuals and families when it comes in through—

**Pamela Nash:** We are very, very much aware of that, but there is a DWP or a Work and Pensions Select Committee as well who are looking into the effects of welfare reform.

**Chair:** Could I thank you very much for coming along? I think that has been very helpful.

### **Examination of Witnesses**

**Witnesses:** **Gail Morrow**, Secretary, Scottish Anti-bedroom tax Federation, **Jean Devlin**, Scottish Anti-bedroom tax Federation, **June Paterson**, Dundee Bin the bedroom tax, and **Jack Ferguson**, on behalf of NO 2 bedroom tax Campaign, gave evidence

**Q538 Chair:** Can I welcome you to this meeting of the Scottish Affairs Committee? As you are aware, we are investigating the bedroom tax and the impact on Scotland. We have been visiting a number of locations through Scotland to make sure that we get views locally from people, but we were specifically invited here to Dundee and to this community by Lesley Brennan and Jim

McGovern, so we have come to hear the views of local people here. It would be helpful if we started off by members of the panel introducing themselves, telling us who they are and then we will maybe ask you what you think of the reports that we have produced so far, so if I can just maybe start from this end.

**June Paterson:** My name is June Paterson. I am a member of the Bin the bedroom tax Dundee.

**Gail Morrow:** I am Gail Morrow, Secretary of the Scottish Anti-bedroom tax Federation.

**Jean Devlin:** I am Jean Devlin, Chair of Castlemilk Anti-bedroom tax Federation, who are affiliated to the Scottish Anti-bedroom tax Federation, who I am speaking for today.

**Jack Ferguson:** I am Jack Ferguson. I am here on behalf of Al Wyllie from NO 2 bedroom tax, who could not make it today, but I am also the Unite Community Co-ordinator for Scotland for Unite, the union.

**Q539 Chair:** Fine. As I said, I wonder if I could start off just by asking you to tell us what you think of the interim report we produced and the subsequent press releases, whether or not you see any difficulty about those things. If I can remind you, we said we were in favour of abolishing the bedroom tax, but if it was not abolished then we were putting forward a number of changes that would ameliorate the impact. Then following a visit to the councils in West Lothian and Falkirk, we put out another statement welcoming that there was more money being made available by the Scottish Government, recognising that they had the powers to ameliorate the effect of the bedroom tax in its entirety and saying that they should do so, and also saying that they should write off all arrears and refund all the money that people had paid already. Now, is that the sort of thing you are generally in support of or are there major issues that you think we have missed?

**Gail Morrow:** As the Scottish Anti-bedroom tax Federation, we are in agreement with everything you said, particularly your interim report about discretionary housing payments and how it does not work. It really is problematic. We are obviously dealing with people every day who—

**Q540 Chair:** Why does it not work?

**Gail Morrow:** Because you are dealing with people that have mental health issues, you are dealing with vulnerable people, people who just will not engage, do not want to engage. They are threatened by the council coming to them or the housing associations coming to them. It makes them nervous. People have applied already and they are told no and they have sat, humiliated, going through the DHP forms: “Do you have Sky TV? Do you spend this and this? Do you spend this and this?” So to them applying, they cannot do it. It really puts them off. They have been humiliated by it, so it just does not work with DHP. As far as we are concerned, it is just not a viable option at all.

**Q541 Chair:** Is that unanimous? Jack, you are representing the other main grouping.

**Jack Ferguson:** Yes. We are in support of the recommendations you have made as well, particularly with DHP. Putting means testing in people’s way for accessing the money they need is always a barrier, and as we have already discussed and heard, so many barriers are potentially in people’s way for going through such a complex process, and even then,

even with the extra money, we are aware of people who have applied again since the extra money and still been refused. So really what we need to acknowledge is these people have already been assessed, that they require a housing benefit in order to pay their rent and we need to find a way that removes the barriers for them in accessing that money.

**Q542 Graeme Morrice:** I wonder if I could initially address my remarks to June. Obviously you represent the Dundee Bin the bedroom tax campaign. I wonder if you could explain what the impacts of the bedroom tax is having on local people here in Dundee?

**June Paterson:** I think it is having a serious effect. It is very difficult to assess what it is, because for some reason Dundee people are just not coming forward to the campaign. We have tried everything, but it is like they are just going to stay and just live in fear, basically. They are not wanting to put their head above the parapet and get shot down is the feeling I get. The only reason I did, I was angry. At first it was fear. I did not find out about this until three weeks before it happened and I only found it through Facebook. At first I was angry. At first it was fear that came in, "I am going to lose my house" and then I got angry and I thought, "I am not doing this. They will have to take me out of here in a box" but I am thinking, "Hang on, am I in a minority here?"

I think other people in Dundee, they tend to put their head down and keep it down and hope it goes away, but there is people out there suffering. I know somebody that has had to move. The housing associations say that they are paying people to move. I am sorry, they did not pay that person to move, they bullied him out of his house, and now he has a bill of nearly £900 for them fixing the house he left, because they pushed him out before he could do it himself. People have moved, been moved into new properties to find out that they were exempt under the 96 rule. What is going to happen to them? Do they get their house back? Do they get compensated? Do they have to go through the courts and sue the DWP?

You will have to excuse me, there was a lot of things I heard as I went on. I am new at this and I am not a political person, I am just a wee housewife with children and it is as simple as that. There was nothing political around that until I got this. I find it very difficult to talk in public, because this is the first time I have done it.

**Graeme Morrice:** I think you are doing very well, June, so don't worry.

**June Paterson:** Most of what I found, it was on Facebook, and the fear that I feel coming through that, I am sure that is happening in Dundee as well; it is just that people are not coming forward.

**Q543 Graeme Morrice:** Yes. So you say there is a lot of people who are affected by it or even indirectly affected by it, maybe it is family members, maybe it is relatives, friends, work colleagues, but they are not necessarily getting involved. But for those who are not being impacted upon with the bedroom tax, okay, you say they are putting their head down, but what are they doing in terms of making choices? Are you finding that people are paying it or not paying it? If they are paying it, are they struggling, are they giving up other things?

**June Paterson:** They have to be struggling, because you were struggling before it came in. You have got to be struggling. I have two extra bedrooms, I am £100 a month. That is more than a week's income to me.

**Graeme Morrice:** That is a lot.

**June Paterson:** Where I am, it is all two and three-bedroomed houses, so everybody that is affected in that area is going to be affected the same. So your loss of a week's income obviously if you are paying it you are dealing with it somehow, and if you are not paying it, you are living in fear.

**Q544 Graeme Morrice:** Yes. You mentioned earlier the 96 rule. Were you impacted upon that?

**June Paterson:** I was exempt under the 96 rule and I did not find that out until January, and I only found again through Facebook. The only thing I am learning is through Facebook. Nobody has come up to me and said, "You are entitled to this and you are entitled to that".

**Q545 Graeme Morrice:** Okay, so you found that information out through Facebook. I take it you are a council tenant in Dundee?

**June Paterson:** Yes.

**Q546 Graeme Morrice:** Did you then approach the council about that?

**June Paterson:** Yes, I did, straight away and put an order.

**Q547 Graeme Morrice:** What did the council say?

**June Paterson:** They had not heard of it. Nobody in Dundee had heard of it.

**Q548 Graeme Morrice:** Because that a recent announcement, so—

**June Paterson:** The first person I informed was Lesley and she had never heard of it. The council had never heard of it. I was told, "We will have to check up on that". I said, "Well, it definitely exists because I have spent months looking for stuff".

**Q549 Graeme Morrice:** So you have applied for an exemption—

**June Paterson:** I got a letter telling me I was exempt the last year, but then it kicks in, because the Government being the Government, they change the goalposts. They have come up against them, they can just move them. It kicks back in again this year, but then the DHP was awarded last year and will cover this year, but the point I have, that is it covered for a year. They will reassess me in September to see what my outgoings are, which I object at.

**Q550 Graeme Morrice:** Okay, that is very useful. Thanks for that. Maybe I could ask the other members of the panel, who are obviously involved with Scotland-wide organisations campaigning against the bedroom tax, and we know there is a federation that is across the whole of the United Kingdom. Are there any differences, do you think, in terms of the bedroom tax in Scotland compared with the rest of the UK? Maybe, Jack, you can start, if you like.

**Jack Ferguson:** I think, as has already been mentioned, there is a disproportionate amount of people reliant on social housing in Scotland. There is also the absolute absence of any kind of reasonable supply of one-bedroom properties that people can move into, so it is

definitely, I think, going to have a particularly disproportionate impact on people who are living on very low incomes in Scotland. As we have already heard, people who are doing without food, reducing other aspects of their outgoings, really cutting themselves down to the bare bone to try to survive. There is a strong interaction between people suffering from the bedroom tax and fuel poverty, and people not heating their homes properly and living in conditions that are threatening to health. That is basically ultimately what it comes down to I think. You are talking about such a high proportion of people's income: the savings that people are going to have to make and that people have made because they are determined to try to do the right thing and not be in debt and not get themselves into rent arrears and to pay it off. I have seen it threaten people's health, I would say. They impact on people seriously negatively that way.

**Q551 Chair:** Jean, it is good to see you again. We met last time in Castlemilk in sunny Glasgow. Do you see any differences in Scotland compared to the rest of the UK on this issue?

**Jean Devlin:** What I have noticed is there seems to be quite an active campaign group in Liverpool, for example, who seem to be working along the lines of the redesignation. Also, what they seem to be looking at is bedroom size and what actually designates a bedroom. They seem to be winning some successful appeals at tribunals down there. I have not seen any indication there is the same level of activity happening in Scotland. I think Fife where a bedroom was deemed too small or the shape of the room was actually not deemed to be adequate to be used as a bedroom. We should be looking at some of the campaigning that has happened south of the border and see how successful these tribunals have been. It seems that cases have been won. There were simply things like somebody who had never used another room in the house as a bedroom but had always used it as a dining room, so it was therefore deemed to be a dining room. We should be pushing to have more of these kinds of test cases in Scotland.

**Q552 Chair:** Can I just pick up that, because one of the objections to that, about redesignation, is that the council were arguing there that they would have to then take account of that redesignation for every house in that category, and that that would be quite expensive and a substantial loss of income to them. Therefore, in those circumstances, they did not think that that was the route to go down. How do you respond to that?

**Jean Devlin:** I do not really know exactly how to respond to that except to say that, if it is possible that that is a route out for people, then we should start the process now and refer these judgments back to April from last year if there are cases in Scotland to be found. These exemptions might fit that bill. I do not think that it should particularly start from the process or looking into the process at all. It might be expensive. I do not know where the funding would come for that. I am not really here to talk about where funding should come for certain initiatives that might take place. If there is any way that we can find any type of route around the spare room subsidy, then we should take all routes possible.

**Q553 Graeme Morrice:** Okay, thanks. Gail, do you see any difference between the situation in Scotland and the rest of the UK, or indeed any differences within Scotland itself?

**Gail Morrow:** I think Jean covered it all. When it comes to Scotland, I am confused as to why quite a few councils have not applied for further funding from the DWP. I do not

understand the finances of it all, but I know that there is extra funding available from Westminster and I do not understand why councils up here have not applied to get that funding. I do not know how it is in England, if it is the same across the border with councils down there getting their top-up funding. I am not sure about that.

**Q554 Graeme Morrice:** Just to clarify, are you saying there are a number of councils in Scotland that have not applied for this funding? That is your understanding.

**Gail Morrow:** For the reserve fund awards, 22 councils have not applied for the DWP reserve fund awards.

**Chair:** The supplementary funding possibly available.

**Gail Morrow:** I know North Lanarkshire did.

**Pamela Nash:** I just want to say that one of the first points that you raised in this session is about the fact that people are not engaging for whatever reason in their personal circumstances. My understanding was that if councils have not applied it is because they have not maxed out the money that they have.

**Gail Morrow:** When it comes to that, why are the councils not making more of an effort to identify the people that need the funding? It is too much to put on an individual to come forward and do that. We know it has been a year and we know they are refusing to do it. I just cannot understand. I do not understand why there has not been a more proactive thing from each council to make sure that DWP are covering what they can.

**Graeme Morrice:** I think Scottish Government has a role in that regard, maximising the incoming from Westminster to Scotland.

**Gail Morrow:** Definitely, I would agree. I think possibly the way that the funds have already been allocated. As I say, I am not an expert at all, but the way I am looking I do not think the allocation has been done properly either. Just when you look at the total funding compared to the amount they have actually paid out, it makes no sense to me, the amount of money that is sitting here, still sitting to be allocated up and down the councils. People are not heating their houses. They are not eating food. Money is just sitting there waiting and it has not been allocated.

**Q555 Chair:** Our understanding is that any figures you have are to some extent historic and the decisions that were made were made at the time before some of the additional funding came. We had this in West Lothian. We had it in Glasgow. We had it in Falkirk. Some of the local authorities were saying, “We are only allocating a certain amount just now because we do not know if we are going to run out of money”. Then as additional money became available, they then relaxed the criteria or extended the period of which people are getting the DHP payments. I do not know what exact figures you have, but some of the non-claims, as it were, are likely to have been overcome.

**Gail Morrow:** This is from 6 February this year. The only people that are waiting to be decided for the reserve fund are Aberdeen City, Clackmannanshire, Highland and Glasgow. So there are still several councils.

**Chair:** Right, we are slightly crossed about that. I misunderstood you.

**Q556 Graeme Morrice:** Right, thanks for that. Presumably, you would all like to see the repeal of the bedroom tax. *Hansard* can record that you nodded vigorously all four of you there. What do you think would be the best way to repeal the bedroom tax and how quickly do you think this could come about?

**Gail Morrow:** Do you want us to say—

**Q557 Chair:** I am saying that would be nice, but I do not know that was necessarily what we were fishing for. I think we wanted just to clarify whether or not there was any particular solutions that you had identified that you think we should be considering, because we have made the recommendation about abolition. That has gone to the Government and the Government has now come back and rejected that. Presumably, the best option would be for the existing Government to abolish it tomorrow. I just wondered whether or not there was anything else in the context of abolition that you wanted to raise with us.

**Jean Devlin:** Personally I think that is a difficult question sitting in Parliament at any time in Westminster. How would you go about it at parliamentary level? You guys, it is your job to do that. How best can you represent us to go back and do that is the only answer that I could really give to you. Take the force of the people behind you because that is certainly what you would have, however it is, the mechanisms, that you have to go through in Parliament to change that piece of legislation.

**Q558 Graeme Morrice:** That is a fair point. I suppose it is the right answer to the question that was asked. Clearly, we are not asking about what the legislative process is to go through that. We are aware of that. We are parliamentarians. We are just trying to glean your understanding of how it works and, as the Chair was saying, whether there are other things that perhaps you are aware of that we could look at doing.

**Gail Morrow:** As opposed to abolition?

**Chair:** We did not write the questions ourselves. A bit like the council and the councillors there, officials run some of these things sometimes and tell us what to say.

**Jack Ferguson:** The point is, by whatever means, we need to have a Government that has the means and the will in order to abolish the bedroom tax. As things stand, we are not in that position and so we are left trying to ameliorate the worst effects of what is an unjust policy. We are here trying to pick up the pieces of the wreckage that has been left by the failures of the current Government.

**Chair:** Fine. That is probably the answer we were looking for.

**Q559 Jim McGovern:** In Westminster, as I am sure you are well aware, it is pretty much a numbers game. If the Coalition Government has the numbers, it does not matter how many times we put up bills or legislation or amendments or tenement agreement bills to say, “Scrap it, abolish it”. Everybody in opposition will vote to abolish it, but if the Lib Dems and the Tories have the numbers, we will be defeated. Preferably, maybe a short answer is maybe a change of Government or maybe it is going to get lost.

**Jean Devlin:** A change of Government unless you could convince some Liberal Democrats to change their side.

**Jack Ferguson:** I think we have tried. That is clearly not working, convincing Liberal Democrats to vote in line with their party's policy.

**Jean Devlin:** Well, yes.

**Jim McGovern:** Ouch! There is a certain element of damage limitation.

**Jean Devlin:** Yes.

**Jim McGovern:** The whole panel agreed with the Chair at the start, if the Minister abolished the tax. That would be a great victory. That would be the ideal, but in terms of damage, it has already been done. If people are not going to be evicted, if people's arrears are going to be paid, if people are struggling, they have starved or begged or stolen or borrowed to actually pay the fine and get their money reimbursed, that would also be a good result, but what about the people who have actually had to move house? They are not going to get the house back, that is for sure.

**Jack Ferguson:** Absolutely, I can second as well. People I have met have moved house really against their will. They have been financially compelled to do it, moved to areas where they do not want to live. In one case, somebody who is in a new home now that requires repairs, so she is also having to struggle about getting the repairs done to the new houses. They then find that they were subject to the 1996 exemption and there was no point in them ever moving in the first place. That is manifestly unjust. What are we going to do for people like that?

**Q560 Jim McGovern:** It is a fantastic question. I certainly do not have the answer to it. If somebody said to me the worst, "We had to up sticks and move to an area we do not want to be in", how do you resolve that? I do not know.

Anyway, the Scottish Government recently announced that it would allow funding to seek to mitigate to fix the bedroom tax. Could you comment on this? You probably heard the earlier discussion regarding: should they have done it earlier? I do not know if you have a view on that, anybody.

**Gail Morrow:** I have a concern about how they are going to get the funding to the people that need it. I do not think to put people through the process of DHP or whatever the fund is set up where the individual has to fight for the money again. I do not think that is a good idea but I do not know if there is a way that it could go straight to social landlords. We have all agreed that if you could miss the people out, somehow get it to the social landlords, so that you are not putting people through the process of applying again, because you are going to be in the same position. The same people who did not apply this time are not going to apply for 2014-15. If there was a way that that funding could go direct to the landlords, rather than the people, then we would definitely find that a lot more acceptable.

**Chair:** Yes, I think we heard in the previous session that there is a general agreement across everybody that DHPs were not the best way of doing it for all the reasons we

identified and that you have picked up. That is certainly something we will reflect on. Again, nodding does not get picked up, so I will just say they all nodded in agreement.

**Jim McGovern:** Usually, he only says when people disagree with him.

**Chair:** No, I never see people disagreeing. I only see people agreeing with us.

**Jean Devlin:** Just to add to that, what we learned in the previous session and other sessions that you have had throughout the country is the fact that it is discretionary is not very helpful for the person who is applying at all. One of our main concerns is what the criteria are for awarding discretionary housing payment. We are not very clear but we are picking up that it is different from different council to different council. They have learned, in fact, I think we learned today from Dundee itself that things like the DLA are being taken into consideration. We would argue that benefits like that should bear no consideration at all. Chair himself had covered that argument, did he not, at City Council? We very strongly feel that benefits like that are put in place for people with disability, to be used for the disability. They are not meant to be used as rent. That is something that we are still having to look at for this year, but also for next year for the 2014-15 budget. If they are talking about DHP still being to be used, make sure there is a set of criteria that does not include benefits that are there specifically to cater for people's disabilities.

**Jack Ferguson:** Absolutely, I agree with that. I think it is terrible if people are having DLA counted as income towards assessing their discretionary housing payments, because that is money that is awarded for a specific purpose for things that they need in their lives, people who are receiving DLA.

I would welcome the fact that the Scottish Government has made more money available, said that they have this commitment to fully ameliorate in the cost of the bedroom tax. The problem is I think it is generally accepted by all sides in discussion that this is a failed policy. It is unjust. If we accept that then people should not be having to ask for money at the discretion of councils. We can identify who all the people are affected by this policy. They are all assessed as having an income at a level where they require help with paying their rent, so there really is no confusion or difficulty there for me. We know who the people are who we would help. Let us find the ways to get the help directly to them.

As there are different issues that were raised about people who have already been paying, people with different arrears, there is a year's worth of unjust policy took place and all kinds of levels of injustice have happened to people throughout that. If we are saying we are going to fully ameliorate that policy, it needs to be fully ameliorated for everyone affected by that policy, because the policy is wrong.

**Chair:** You wanted to add something there.

**Gail Morrow:** It was on the 2014-15, just on what Jack was saying, really quite simplistic. A sound proposition would be to contact the person. "Do you get housing benefit?"

Yes, then obviously you are poor.” If they are getting housing benefit, that is enough to say you are entitled to your bedroom tax payment.

**Chair:** They could do this as a debt if they wanted. It is a question of will really, is it not? If they wanted to do it, presumably the housing owner or landlord could identify whether they were eligible and they would just get a chunk of money to write it all off. It is a question of will in anybody rather than anything else. Similarly, the question of arrears and similarly the question of repaying people who have paid already; if the political will is there, it could be done pretty straightforwardly I would have thought.

**Gail Morrow:** On the refunds, we have found people already who have been awarded DHP backdated. Certain housing organisations have taken the DHP and credited it to their rent account, but kept it in case they fall into arrears. I heard Steve say at the end that is what would happen with refunds to help the housing association, but I spoke to him outside and he said that, yes, they would give it back into rent accounts but refund the people. We know that there are definitely people who have now had refunds given, but they are being held by the housing associations. When it comes to refunds, if you could make it clear that the refunds have to go to the people who have borrowed from their families, are going to Wonga, are starving themselves or not heating themselves.

**Chair:** There is surely though an issue, given that we have already agreed that a substantial number of people who have difficulties with DHP have mental health issues or learning difficulties or chaotic lives. There is perhaps an issue there about these people being given a substantial chunk of money in a one-off.

**Gail Morrow:** That is not for them to say. It is their money. It is their money. They have already paid.

**Chair:** Well, we do have a duty of care.

**Jean Devlin:** Can I just clear up. I think a bit of confusion just developed there. I think what Gail is saying is that people who have already been struggling to pay their rent because of the bedroom tax and they have paid some money into that have maybe applied for discretionary housing payment, got an award and had that award back-dated, that therefore goes back to the landlord. In effect, the landlord has been paid twice. The tenant themselves has tried to pay as much as they possibly could, so that is under that tenant’s rent account. The DHP backdated payment comes in. That is also now sitting in the rent account. What they are saying is that once that DHP award has been made, the tenant, their own money, should go back to that tenant. That does not seem to be happening in all cases.

What seems to be happening is that the housing associations—I do not know for all councils, but we have heard that some—are keeping hold of both payments, saying to the tenant, “We will just keep a hold of what you have already paid us in your rent account just in case you get into arrears again at some time in the future”.

**Chair:** I would have thought that would be open to legal challenge.

**Jean Devlin:** You are absolutely right. I believe that it is.

**Chair:** It seems extremely bad practice to me.

**Jean Devlin:** This is what they are picking up. This is what has happened.

**Chair:** As indicated, I have some reservations about some individuals being given a big chunk of money as a windfall, but we have not quite got to the stage yet of discussing how the money is going to be handed back. That is a battle that is yet to be won and can maybe be discussed slightly further down the road.

**Jean Devlin:** It is the person's own money. It is not a windfall. It is their money that they have paid.

**Chair:** I understand that. I understand that.

**Jim McGovern:** I understand what you are saying. It is a whole different debate, but I cannot see any legal counsel saying, "Here is your money but we cannot trust you to use it properly".

**Jean Devlin:** I completely agree. It is not a windfall to them. It is their money. They are entitled to that money back.

**Q561 Jim McGovern:** As regards the Scottish Government, we are in agreement here that we would like to see the bedroom tax abolished, which would be a UK Government measure. Do you think there are any other ways or are you aware of any other ways that the Scottish Government could help even more of them meet the effective policy other than just asking DWP to lift the spending cap on DHPs? I appreciate the example that Jean said, which is you have not always been involved in politics. It is this issue that has prompted you to get involved. Incidentally, I thought you spoke very well and staged your piece very well. We are really looking for answers to get right out of the nitty-gritty for legislation and parliamentary procedures, but are you aware of anything that the Scottish Government could do that would help even more?

**Jean Devlin:** Do you mean for this current year or do you mean in future years even?

**Jim McGovern:** Not necessarily. The problem is with the future, the political will.

**Jean Devlin:** We would love the assurance that after 2014-15 when they have come in and mitigated the effects, that they will continue to do that year after year until Westminster abolishes the legislation, quite simply. That, we would ask that the funding would be there year on year until the whole legislation is repealed at Westminster.

**Jim McGovern:** So that is what you feel the Scottish Government could possibly do.

**Jean Devlin:** Well, Westminster Government is ultimately responsible for the legislation, but if they were going to repeal it and they are not going to put any extra funding in to recover and mitigate the effects of it, there is still going to be a shortfall. In Scotland, we do have our own Parliament, then we can look for them to do it, if Westminster is refusing to do it, which they have already. They are the people that are cutting the benefit. I do not think

there is much chance. Going back to what you were saying, you have cut the benefit, but do you feel they need to mitigate the impacts of cutting the benefit? That would defeat itself.

**Q562 Jim McGovern:** Maybe I should have outlined the three questions I was going to ask. What could the UK Government do, which in our view is either change the Government or get the current Government to abolish it? What could the Scottish Government do? Then the third question would be what could local authorities do?

**Gail Morrow:** Unfortunately, I come from Renfrewshire. I am a tenant there.

**Jim McGovern:** That is unfortunate.

**Gail Morrow:** We have had a really good campaign in Renfrewshire and it is really well aware. Mark Macmillan has brought in the £600,000. He set up a separate fund just for council tenants. I know that they have used 94% DHP. If every authority could work that way and do the same thing that he is doing on a local authority level then, basically, you are covering everyone that way if that is what you mean by local authorities.

**Jim McGovern:** Yes, those are the three parts: UK Government, Scottish Government, local authorities. I know Renfrewshire can be held up as a good example.

**Gail Morrow:** They are.

**Jack Ferguson:** From the Scottish Government's point of view, we have already discussed the difficulties there are in distributing the money via the mechanism DHP. There is also obviously this issue of it requiring cooperation from the UK Government, which seems pretty unlikely given their policy. What we have been hearing about is from area to area, different landlords, effectively it being a postcode lottery about how easy it has been for them to access support and access further money and get through that process. Really, if we were going to look for something further from the Scottish Government, it would be setting national standard for ameliorating the bedroom tax for everybody affected by it and making it clear the mechanisms of how it is going to be distributed, so all the landlords understood what was happening and there was not any of this huge amount of confusion that we have been hearing about for tenants.

Like Jim has been saying, the only source of information people have is each other: social networks, people keeping each other informed. That should be coming from a national level. Here is what the policy is with regards to the bedroom tax.

**Chair:** I am conscious that we have the Minister coming in. We only have two notes in saying when the Minister wants to come in and when is the Minister getting involved? I want to rattle through some of the other points if you do not mind. We are happy to be in Dundee until midnight but possibly not everybody takes the same view. Jim, does that cover your points?

**Jim McGovern:** Yes.

**Q563 Pamela Nash:** I just want to cover evictions again. Today and previous evidence sessions, the landlord councils we have spoken to have taken the view that they would not evict a tenant if they were taking all reasonable measures to engage. Gail, you are shaking your head, so I will come to you first. In your campaign, do you see a difference between those who cannot pay and will not pay?

**Gail Morrow:** As a campaign, we push for people to pay, just engage with us as much as you can, even if it is only £2 or £3, just whatever you can afford to pay. A lot of people who are not paying maybe are not necessarily taking the stance of, “I refuse to pay this”. It is just because they cannot pay and these are the people who are not engaging either. These are the people who are likely to be affected, but I go back to these being the vulnerable people, people with mental health issues. We cannot engage with them either.

**Q564 Pamela Nash:** Have you seen examples of people like that who are vulnerable, who are not engaging. Has anybody been evicted or threatened with eviction?

**Jean Devlin:** Could I maybe give an example there? There was a case recently in my local area where a woman was almost evicted. She was saved from eviction by the Lord Provost of Glasgow, who happens to be a local councillor in Castlemilk telephoning the chief executive of the Glasgow Housing Association and preventing the eviction actually going through. That is a person that had both historic arrears and bedroom tax arrears and we have always said, since the introduction of the bedroom tax, historic arrears were kept at bay. It may be a working person keeping up their rent, fell into a bit of arrears, lost their job, all because they have mental health. Then bedroom Tax meant she is on benefits, cannot afford to pay historic arrears. bedroom tax arrears are creeping up, which took her to the magic £1,000 level that seems to be where housing associations start to push for their eviction.

That woman has serious mental health problems, had attempted to take her own life one week before the eviction was due to take place, and it was only stopped by the intervention of the Lord Provost of Glasgow City Council. These people who have the most are certainly not safe.

**Q565 Pamela Nash:** Have you had people approaching your campaign or yourselves worried about being evicted or worried about the risk of homelessness?

**Jean Devlin:** Absolutely.

**Jack Ferguson:** Absolutely, yes.

**Q566 Pamela Nash:** Could you give us an idea of the scale of that?

**Jean Devlin:** I think the example that I have given there is very real and it only happened a fortnight ago. Housing associations seem to be trying not to take it that far, but that case just arose a fortnight ago. We are meeting people on the streets. We are seeing people with tears.

**Q567 Pamela Nash:** Can I just ask June, because we are here to hear about Dundee in this situation? Are people worried about homelessness and about being evicted?

**June Paterson:** I would imagine so, yes. Nothing worse than being evicted, is there, with no place to go? As I say, the economics of it, it is how it affects me. I am not saying that

I am definitely a part. That does not mean that I do not have stress, or I am not lying awake at night wondering what is going on, because it is not just the bedroom tax. It is other benefits as well that are being cut.

**Pamela Nash:** Yes, understood.

**June Paterson:** So you have less and less money coming in and more and more going out. People are going to be affected and people with mental health issues are going to be worse. My daughter has mental health issues and she is not affected yes because her son is 16, but if he was to move out, I know for a fact that she would not be living on an allowance. She would be putting hers straight in the bank. She is not capable of answering a phone, so she would not be able to connect with anybody unless she had a worker or helper along with her. Left to her own devices, she would just rot in hell.

**Q568 Pamela Nash:** Okay, and as you said there, you suspect there are a lot of people in that boat.

**June Paterson:** There are people like that, yes.

**Pamela Nash:** Okay, ,thank you.

**Q569 Chair:** One of the final points we want to just touch on is the question of reasonable offers. Now, as you might have heard from the previous session, one of the proposals that we had was that if the Government would abolish the bedroom tax, people should only be hit by the tax if they made a reasonable offer and declined it. What do you think of that? That is designed to overcome the difficulty of, even if someone was willing to move, if there are no houses there, they cannot move. It is therefore unfair, even if you agree with the tax. It is unfair that they are hit with it and cannot actually take any steps to overcome the difficulties. What about the reasonable offer question? How do you respond to that?

**Gail Morrow:** I saw that you were saying as well, you mentioned what a reasonable offer would be, but I think a lot of people are concerned they are going to be moved out of their communities. I think a reasonable offer would be to keep people in their communities, keep them close by the people that live there. People have lived in these communities for 20 years, longer, brought their families and stuff, so it would be unreasonable to expect anyone to move out of their communities. I would definitely say reasonable would have to include ability to stay in the community.

**Jean Devlin:** For me, it would be the council or housing association might deem that they have made a reasonable offer but the tenant themselves might not think that it is a reasonable offer to them. It needs to be a two-sided reasonable offer.

**Chair:** People can be unreasonable. I remember any time there was demolitions taking place in Glasgow nobody was willing to move unless they got an upstairs in Mossbank and it was just the best. There is a question of what is reasonable and what is feasible, is there not?

**Jean Devlin:** There is the difference, but the tenant themselves also must feel like the offer is reasonable to them, surely.

**Chair:** Right, but there would have to be some process by which there was an agreement about reasonableness. In principle, when there are caveats, do you think that is a general policy about not applying it unless there was a reasonable offer made if the tax was repaid is something that is worth pursuing?

**Jean Devlin:** I am loathe to say because we really need to define what a reasonable offer is before agreeing anything like that and it needs to be for the tenant as well.

**Jack Ferguson:** The point that was made earlier about what is required is full abolition, I know that is flogging a dead horse in terms of the current Government, but that is the only solution to the crisis that has been created by the policy. If we are looking at the doomsday scenario that this policy is going to continue on for parliaments and parliaments and years and years to come, then certainly it would be fairer than saying to people, “We are going to charge you when there is no opportunity for you to move”. Really, it is not reasonable to force people out of their homes, which is what we are talking about here. It is a policy resigned at a governmental level aimed to force people out of their homes, which is manifestly not reasonable. Definitely as an absolute minimum, we have to say people have the right to stay within their own communities, as has been said, and to remain linked to the social support network that is going to get them through all the other difficulties in life and all the other financial problems and personal problems that we have already been discussing.

We know the lack of one-bedroomed properties that are available means that the people who have already moved, we have seen people move big long distances, well away from any kind of social support. My concern about it you kind of raise in the previous session: will we need to build more and more one-bedroomed houses? This is not actually appropriate accommodation. Historically, we have built bigger accommodation. We have recognised what the housing needs are and have built to that. This is not a recognition of housing needs. This is a perverse penalising of the poor done for political capital, frankly. That is what the policy is and it is not reasonable, so if we are going to say an unreasonable policy is going to continue on into the future, then sure we will try to look at what possible means there are to make that slightly better, but it is not going to change the fact it is an injustice and it is penalisation of the people who are poorest and most vulnerable in society.

**Q570 Chair:** Are there any other points that you want to raise? I am conscious that the Minister has sent us in a couple of threatening notes so we want to make sure that we see him fairly quickly. Are there any points that you think we have not covered at all that you think should be drawn to our attention, any answers you had prepared for questions we have not asked you?

**Jean Devlin:** For me, having been at a previous session, I think you have endeavoured to cover all aspects. One of the things I would like to add is that I think we need to get away from the idea—and what seems to be coming from Government and getting pushed through the media—that these people that are affected by this bedroom tax are all the unemployed and these scroungers and all like that. We need to bear in mind that the majority of people that are claiming housing benefit that require this kind of help are working people that are absolutely struggling. One of the worries to add to that is that a proposal of bringing in sanctions for working people who are not working enough hours a week. It is actually quite

worrying that that is going to push people right over the edge when it comes to the impacts of the bedroom tax and other aspects of welfare reform, just to add to that.

**Chair:** I should maybe clarify that it is not the Minister that has been threatening us. It is one of his staff that has been giving me an insight. Is that all of the points you wanted to make? Yes. We are obviously going to continue this. We will be producing a report within the next two or three weeks and making a further set of recommendations along the lines of all the evidence that we have had. Thank you all very much for coming along.

### **Examination of Witnesses**

*Witnesses:* **Margaret Burgess MSP**, Minister for Housing and Welfare, Scottish Government, and **Jamie MacDougall**, Head of Housing Support and Homelessness Unit, Scottish Government, gave evidence.

**Q571 Chair:** I wonder if we could make a start and if I could welcome you to this meeting of the Scottish Affairs Select Committee. Could I start by apologising for the delay in starting the session. As you will appreciate, we have had three evidence sessions before this and inevitably things came to run a little over. As I was saying, we want to be away by midnight. If that is okay with you, we will speed on. We are all abolitionists here, in fact, so I do not think it is necessary for us to spend time telling each other how strongly we are against the bedroom tax. I wonder if we could start off then by asking you to introduce yourselves and then I will ask you just if you want to make comments on the reports that have been produced today.

**Margaret Burgess:** I am Margaret Burgess, the Scottish Government Minister for Housing and Welfare.

**Jamie MacDougall:** Jamie MacDougall, I am an official at the Scottish Government. I head up the Housing Support and Homelessness Unit.

**Q572 Chair:** Fine, thanks. We have produced an interim report, for which as you will probably be aware the main initiative was for the abolition of bedroom tax. However, if the bedroom tax was not abolished, we put forward a number of measures that we thought were reasonable and would ameliorate some of the worst effects. We have also subsequently added a statement indicating that the Scottish Government has agreed, as I understand it, to meet all the costs of the bedroom tax going forward. What should be done about arrears and people who have already paid? Do you have any comments that you want to make on both or either of those?

**Margaret Burgess:** I think in the first instance, yes, we are pleased that the report did recognise what the Scottish Government was trying to do in terms of mitigating the bedroom tax. We are also pleased to note the report was of the view that there was no logical reason or justification for limiting discretionary housing payments and recommends to the UK Government that this is abolished. Removing the cap would enable the Scottish Government to take the most effective action and target the funding to where it is most needed. We are still very much of that view and would appreciate any support we could get from the Committee to make that point to the UK Government. I am willing to expand on why we believe that is the best way forward as we go through this session. We do share the same concerns of the Committee and we have committed £35 million in the next year in mitigation funding. That is for 2014-15. We have already given local authorities £20 million, made

available £20 million for 2013-14 for mitigation in terms of topping up the discretionary housing payments to the maximum limit that we are allowed to do.

**Chair:** Jamie, do you want to add anything to that?

**Jamie MacDougall:** No, I do not.

**Q573 Chair:** Can I just pick up a couple of points you made there; first of all about the removal of the cap. I think there were two points. The first is it is our understanding that the people who introduced this legislation are unlikely to come forward and agree for the lifting of the cap. All the informal responses that we have had indicate that is the case. Do you have a Plan B about what you will do in the event that they decline to do so?

**Margaret Burgess:** We have already said at Mr Swinney's budget announcement that we would make available the funding, the £35 million, which would top up the DHP money that comes from the DWP. That would be £50 million in total to help mitigate the effects of the bedroom tax. The £50 million is a figure that of course we say would be required to mitigate completely. What we say preferably, which is very much preferably, that is agreed by all of the Scottish Parliament except the Conservatives is that that is the best way to help people impacted by the bedroom tax.

What we did say is, if the cap is not lifted, that money is still available to look at a legal way to give that to local authorities and to registered social landlords to help those affected. We have said that that money is available. We have looked at that and we are working up. We are looking at all the options that are around, where a lot of them are fraught with difficulties in doing it that we can legally do as a Scottish Government. We are trying very hard to build a scheme which we are working with other parties and policies to do that.

**Q574 Chair:** Would I be right in saying you are looking for a plan B but you do not have one at the moment.

**Margaret Burgess:** We are absolutely clear that that money will be available for local authorities and registered social landlords to affect those impacted by the bedroom tax.

**Q575 Chair:** The second point that I had before I let my colleague in was that you have made mention a couple of times now of saying that you think the best way forward is DHPs. All the evidence that we have had is that there are substantial difficulties with DHPs. I think we have mentioned there are people who do not apply because of mental health issues. There are learning difficulty issues. There are people with chaotic lives. There are people who because of pride will not apply. We heard in the evidence from Dundee that approximately 40% of the people affected by the bedroom tax are not applying for DHPs despite the best efforts of the housing associations and the councils. Now, are you still convinced that DHPs are the best way of doing it?

**Margaret Burgess:** I am and I will say why. I think DHPs, if the cap is lifted and the money is available from the Scottish Government to top it up to what is required in every local authority area, it will not be so difficult for local authorities to manage the DHP budget because everybody effectively would be eligible to make an application and the application should be successful. What we cannot do under any scheme is take away people's liability for the bedroom tax. That is outwith the powers of the Scottish Government. It is outwith the

powers of local authorities. The bedroom tax applies and will apply until it is abolished by whichever means it is abolished. We cannot take people's liabilities away for that. They are either building up arrears and that is something I personally do not want to see. I do not want to encourage people or expect people to build up arrears in the hope that it gets written off at a later stage, because having worked in money advice for many years, I see that is fraught with difficulties and how people feel about that when they build up arrears.

**Chair:** I completely understand that, completely understand that.

**Margaret Burgess:** To do it by giving local authorities money and say to local authorities, "You can pay somebody's bedroom tax every week off of that", as a Government, we are not sure that we can do that and secondly have to be careful that does not fall foul of DWP regulations where somebody gets a regular weekly payment for whatever means, from whatever source. That then affects their benefit, so they would still be liable for it. These other schemes are fraught with difficulties. The DHP scheme means that, at the outset from the start, somebody could get their application in with their housing benefit. Often their housing benefit is renewed and they would be entitled to that payment, so they are not building up arrears. They are not applying for a hardship fund. They would be entitled to it.

Yes, there would be a lot of work to be done, because I absolutely accept the point you made, Chair, that there are some people difficult to engage with and get the application made, but an application could be made by a straightforward phone call from the local authority or from an organisation. "Can we make an application for the DHP?" It does not have to be difficult and we need to encourage people to make that application that they are entitled to do so. I think that is very important and people are then covered from the start with payments legally every week to help them towards the rent.

**Q576 Chair:** I understand and agree with some of what you have said in terms of objectives. I am not sure that you have adequately responded though to the point that has been made to us about, for example, in Dundee, 40% of people with the best will in the world and the greatest efforts that are being made are still not engaging and not filling in the forms. The groups that we mentioned are the chaotic lives and learning difficulties and mental health. As long as they can only qualify under your system by filling in these forms then it seems to me that that is not simply going to work and that is all the evidence we have had. Is there not a possibility, as you are examining a Plan B, that you would consider whether or not somebody could apply for the whole block, a bit like the Chinese general baptising his army with a hose, so if somebody did it for them and there were block applications being done without the individuals having to go through the rigmarole of applying themselves.

**Margaret Burgess:** I would love to have a simple way of doing it for people. The problem is it is not our legislation, as you are well aware. This is legislation from the UK Government and from the DWP. Every way we look to try to sort it, we come across another problem. It applies to the individual and in their housing benefit and will always go against that as long as we do not have control of housing benefit regulations. To do it on block, local authorities I do not think will be able to do that. Again, we are now talking about DWP legislation. I think the angle here in Scotland is saying make sure that every local authority,

every landlord knows that it is not a long lengthy form for someone that is applying. It can be as straightforward as a phone call, whether or not you are subject to the bedroom tax. “If you are in difficulties, would you like to make an application?” It can be done quite simply, but we need to be sure, if we are saying that, that we have the money there to do it.

**Q577 Chair:** I understand the point about the money. Are you saying then that your understanding of a DHP application could be as simple as somebody from the council phoning somebody and saying, “Do you want to apply?” They say, “Yes”. That is taken as an application and it goes on from there.

**Margaret Burgess:** They are asked a few questions. What are the rules? The rules on DHPs are again UK Government rules, but they are quite flexible and the rules say it can be done by a phone call. What they say is local authorities must be consistent in making their applications. The difficulty with this is this is the first year this has come in and local authorities not having the full amount they require in some areas therefore cannot be proactive.

**Chair:** My understanding is that you have overcome it. I find a way has been found of overcoming the difficulty about rationing. There is not going to be a difficulty of there not being enough money, because the Scottish Government, through a multi-party agreement, has agreed that all the money that is needed is going to be made available. Therefore, the issue is not cutting people off because they do not have enough money. We understand that. The question is the issue of how you actually get that money to people. Now, there are people who want to come in with points relating to this, so I will take them. Jim, did you want to?

**Q578 Jim McGovern:** Yes, thanks Chair. We took evidence last month from David Mundell, Under-Secretary of State for Scotland on this subject at the Committee in Westminster. My understanding was that he was making clear that it was within the gift of the Scottish Government to fully mitigate the implications of bedroom tax if they so wished. It appears that they have since done so. You seem to be saying everywhere we look there is another hurdle in the way. Could you enlarge on what you mean by that?

**Margaret Burgess:** What I said is, yes, we will fully mitigate. I am very well aware of what David Mundell has been saying up and down the country about how the Scottish Government can fully mitigate the bedroom tax. I have raised it with him publically to come forward and tell us how, what his solution to it is. I raised the matter to Lord Freud when I last met Lord Freud and said that there were UK Government Ministers and David Mundell being one, the Under-Secretary, going around the country saying we could legally do this.

**Q579 Jim McGovern:** Let me just stop you there. Around about the time that David Mundell gave that evidence, it was publicised that the Deputy First Minister had written to Lord Freud seeking permission to use this money for this purpose. Subsequently, John Swinney announced, “We do not need permission. We will just go ahead and do it.” They have done so. Why did it take from last April to this February to mitigate the end part of the bedroom tax?

**Margaret Burgess:** A number of things: the Scottish Government has been opposing and has been opposed to the bedroom tax. It has been in communication with the UK Government about this since 2010. We have been in communication with them on this for years. We have had to look at the impact that this is having.

**Jim McGovern:** I do not think you have answered my question.

**Margaret Burgess:** I am trying to.

**Jim McGovern:** You have a flight to get at 6.30.

**Margaret Burgess:** The thing is there are many cuts that are coming to the Scottish Government so we have no money in our budget just to find spare money sitting there to mitigate a UK policy.

**Q580 Jim McGovern:** Is that what John Swinney meant when he said, “We do not want to let Westminster off the hook. We will let all these people suffer so we can score a political point against Westminster”?

**Margaret Burgess:** I am sorry. I just do not accept that and I do not think this is helpful.

**Jim McGovern:** That is the public perception.

**Margaret Burgess:** What I am saying is that the Scottish Government has done everything possible. We did what was right, which was challenge the UK Government, say to the UK Government, “This is not right. Here is the impact when we spoke with our stakeholders, our RSLs, our councils, COSLA”. We worked together collectively to look at a solution. We came up with in the current financial year the £20 million, which is the maximum we could top up the DHPs. We had to take that money out of other budgets of the Scottish Government, other priority budgets as well. We came up with that £20 million and we are criticised for that as well.

**Q581 Jim McGovern:** This is exactly the point the Under-Secretary of State made. The Scottish Government have this money. They have got to prioritise. If they wish to mitigate the effects of the bedroom tax, they are allowed to do so and they always have been allowed to do so.

**Margaret Burgess:** We are doing so. We have announced that we will mitigate the impacts of the bedroom tax in this year, but what I am saying is that that money has come out of other devolved budgets. We have to get it from somewhere.

**Jim McGovern:** You have prioritised.

**Margaret Burgess:** We have another £4.5 billion of cuts coming down the road, the 1% cap, the changes to tax credits and the changes to child benefit. We have all of this still coming. It is a small portion of what impacts the people of Scotland in our most vulnerable communities.

**Q582 Jim McGovern:** Why has it taken almost a year to release that funding?

**Margaret Burgess:** I think the Scottish Government acted very quickly to do what they could do with funding that they did not have. We found money. More has been done, for example, if we want to go down this route. More than has been done, for example, than in Wales. We are the only administration that has topped up the funding in any way to help our most vulnerable citizens.

**Jim McGovern:** That is not what I was looking for. It was not to see the rules, but that seems to be what you are saying.

**Q583 Pamela Nash:** Minister, you said that you have discussed this with Mr Mundell and the Government as to why they are saying you have the power to mitigate the bedroom tax when you do not think you do. Can I ask about those conversations?

**Margaret Burgess:** No, we have said we have the money to mitigate the bedroom tax this year by topping up the discretionary housing payments, or if that does not happen, by some other means. What we have said publically in exchanges with Mr Mundell and his party in the Scottish Parliament is, “Tell us the way that Mr Mundell is talking about”. I said to Lord Freud that this had been said and he said, “There is nothing you can do to get embalmed in social security and you must be within.” Yes, but we also have to be within the Scotland Act and we have to be within the Social Security Act. I am really not clear from what you have expected from me today, if the purpose of this is not about see how we can assist vulnerable people struggling with the bedroom tax.

**Pamela Nash:** That is exactly what.

**Jim McGovern:** That is the question.

**Margaret Burgess:** If the purpose of this to try to say, “It is all the Scottish Government’s fault for not doing something”—

**Pamela Nash:** No.

**Margaret Burgess:** —I am sorry I do not think that is the point of this.

**Q584 Pamela Nash:** Minister, I think that is clear. As we published in our report, we are very clear that we are angry at the UK Government and we want them to abolish the bedroom tax. If the Labour Party is in power after the next election, we will do so. However, that is not to say the Scottish Government does not have a responsibility to protect the people of Scotland. Indeed, that is why the Scottish Parliament was set up. I am still not clear and it has been asked in different ways from my colleagues here why you in the Scottish Government are insisting on going down the DHP route. That would be under social security and I understand that. However, our local authorities in Scotland—I know of at least one and I think there are others—have set up other funds in order to get out of the 150% rule of the DHP. My understanding is the Scottish Government is under the same regulations as local authorities are. I do not understand why the Scottish Government has not just set up a separate fund, called it something completely different and not be held by the DHP rules and social security rules. Now, I would appreciate if you would explain to us why that is the case.

**Margaret Burgess:** I will bring Jamie in but there is a difference between the Scottish Government and local authorities in terms of how we can provide welfare.

**Pamela Nash:** Not welfare; on DHP.

**Margaret Burgess:** On finding, we are specifically excluded from providing funding to individuals and to assist with anything connected with housing or housing benefit. Perhaps, Jamie, you want to give the technical side of that.

**Q585 Pamela Nash:** What about just a hardship fund for people suffering?

**Margaret Burgess:** We cannot provide welfare to individuals, can we? Do you want to come in?

**Jamie MacDougall:** What is important is the Scottish Government are complaining about the terms of the Scotland Act including the fact that the State does not have powers in relation to welfare. Local authorities are not bound by the Scotland Act, so they have different powers available to them. However, if the Scottish Government provides funding to the local authorities to that end, then that reservation comes in. Secondly—

**Pamela Nash:** Sorry, could you say that again. So you cannot—

**Jamie MacDougall:** The Scottish Government Ministers do not have the powers in relation to housing benefit.

**Pamela Nash:** I understand that.

**Jamie MacDougall:** That was made explicit under the terms of the Scotland Act. What I am saying is local authorities are not bound by the terms of the Scotland Act. Scottish Government Ministers are. The trouble comes when Scottish Government Ministers try to provide funding for things that they are bound under the Scotland Act for or things which are not. We get into that difficult grey area of what we can fund and how we can direct that funding. For example, the discretion is not within the scheme as a scheme of the Department of Work and Pensions within the Scottish Government. However, it is the only statutory mechanism that we are aware of where housing benefit recipients can get money to top up their housing benefit. That is what we made the point to Lord Freud for and he agreed with that. The Scottish Government has made available discretionary housing payments because it is the only statutory mechanism where we can actually provide that funding.

The other schemes we are aware of that the Minister is looking at, alternative funds or whatever, are in a sense in effect debt write-off schemes. All those schemes are doing is they are allowing people to run up debt and write it off against the landlord's books. In our view, that is a long way distant second best to the discretionary housing payment scheme, which in itself admittedly is a long way second best to not having the bedroom tax in the first place.

**Q586 Pamela Nash:** Just to be clear, I am not saying they do not exist, the schemes that you are referring to, the debt write-off schemes, but that is not what I am referring to. These are specific funds, sustainability funds, which are hardship funds, which have been primarily set up to help those who are suffering from the bedroom tax. I am still not clear that that would come under the Scotland Act. I am not saying it does not, I would need to seek advice on that. That would not be covered by the regulations you have just said?

**Jamie MacDougall:** Local authorities cannot provide money out of the hardship fund towards someone's rent because it has been bound by the discretionary housing payment regulations, which puts a cap on the total amount of expenditure to go out. Local authorities have other forms of powers that the Scottish Government does not have. It is up to the local authority to classify which it fits within.

**Q587 Pamela Nash:** This is getting a bit technical, but I think this is a important point. When I sought advice on this again, and I will seek advice again, that only applies if that fund is only for a housing benefit or rent or bedroom tax mitigation. If the fund was primarily for a general hardship fund, then it would not be covered by those regulations.

**Jamie MacDougall:** Local authority would have to satisfy itself that it was operating under the appropriate social security regulations.

**Q588 Chair:** Presumably Renfrew and East Lothian have. It has been done.

**Pamela Nash:** North Lanarkshire.

**Chair:** Sorry, North Lanarkshire.

**Jamie MacDougall:** The schemes you are talking about are debt write-off schemes.

**Q589 Chair:** I just want to be clear on this, because it will come up later on, there is no difficulty about the Scottish Government funding debt write-off schemes for RSLs? Is that correct?

**Margaret Burgess:** We are looking at how we can operate a scheme that RSLs could access as well, because 46% of tenants affected are in RSLs which are—I heard somebody at the back—that the housing associations that are separate from local authorities.

**Q590 Chair:** As I understood what Jamie said was that you do have the power to run debt write-off schemes?

**Jamie MacDougall:** Well, it depends. It is something we are looking into, partly based on the comments made by Mr Mundell and others. What we are looking at is an alternative scheme if DHP does not.

**Q591 Graeme Morrice:** I appreciate you can only act within your powers as the Scottish Government and we are hearing a lot about what we cannot do. Of course we fully accept that the law that brought in the bedroom tax as passed by the UK Parliament and no one in this room wants it to continue beyond when it can ultimately, and hopefully very soon, be repealed.

Can I ask in terms of your leadership role in Scotland with regards to working with local authorities, working in partnership with COSLA, working with myriad organisations out there that are against the poll tax—the bedroom tax, Freudian slip there, the bedroom tax issue. Well, it is poll tax as well. We heard evidence earlier from all those groups that were against the bedroom tax and I think some concern was expressed. A particular comment was made that 22 local authorities in Scotland were not drawing down the full amount that they are entitled to to help mitigate even part financially of the bedroom tax on their local residents. Can I ask, what are you doing in terms of working in partnership with your local authorities, providing guidance, sitting down and co-ordinating a national campaign here in Scotland with COSLA and all the other groups I mentioned earlier, to do everything you can, even thinking outside of the box. As Pamela Nash was saying earlier there is other ways of skinning a cat here.

**Margaret Burgess:** We work constantly with COSLA, with the third sector, looking at ways of mitigating the bedroom tax, if we can do so. We are not doing this with a closed door, this is after looking at all of the other things that have been talked about today and from the Scottish Government's point of view, as I have said, I do not want to keep labouring on it,

the DHPs are the way forward. However, we have also been very clear that will be looking at the other schemes. Some of them are not going to be doable for the Scottish Government, in terms of how they operate. We also want to make that anything that we do does not have an unintended consequence. For example, in terms of, as the kind of situation I raised earlier, if somebody was getting a regular payment every week, either by local authority or a landlord, the impact that would have on the means tested benefits. We want to make sure there is no unintended consequences in this when it happens.

Also, I have said before, my view on the debt write-off, we do not want to put people into the debt situation to start with, I think that is also important.

So, yes, we are working. We have worked with COSLA, all the meetings we have had with the UK Government, we have had discussions with COSLA before going with the joint meetings with COSLA and Lord Freud, and that will continue. Officials continue to work together to look at getting ways around this.

My view is clear, and I have said it before, and I have said it to local authorities, there should not be local authorities sitting at the end financial year with people with rent arrears solely because of the DHP and still have not used up all the Scottish Government funding. I have said that to the local authorities, that is not acceptable, that is what the funding is for and they have to get that out there.

**Q592 Chair:** Can I just come back a step if I could? I mean, Danny Alexander, before David Mundell said anything, Danny Alexander has said that the Scottish Government have powers to mitigate the bedroom tax in its entirety, and then that was followed up by David Mundell. Can I just clarify whether or not you or anybody else in the Scottish Government and written directly to Danny Alexander, in particular, and said, “What exactly do you mean by this?”

**Margaret Burgess:** I am not aware of writing specifically to Danny Alexander, doing it in writing. We have certainly asked publicly that they provide that information and we have certainly asked across the Chamber, because every time—

**Chair:** I know, but I mean, across the Chamber is not quite the same thing.

**Margaret Burgess:** We have certainly done it publicly. We have asked them to come forward with their ways—all they are saying is that, “Yes, you can give local government money within their capital grant. You could give housing associations money”. We are not saying we couldn’t but what we give that money for, we have to make sure it meets the Scotland Act, it does not—

**Q593 Chair:** Given that Danny Alexander was presumably one of the villains that drew this up or at least has been partly responsible for it, given the position that he is in, when he said that you had the powers to deal with this already, I would have thought that the Scottish Government would have been leaping on his remarks and writing to him right away and saying, “Look, explain exactly what you had in mind”. I understand Parliamentary knockabout, but dealing with it across the chamber is not sufficient I would have thought.

**Margaret Burgess:** He has said, and his way of saying it is simply what David Mundell said, “Yes, Scottish Government can give local authorities money. Yes, Scottish

Government can give housing associations money.” They must do it as David Mundell qualified his position, they have to do it within the Scotland Act and they have to do it without breaching any social security legislation. That is what we have been doing, in terms of the DHPs, because we thought that was the way forward. We are looking at how we can do it that does not have unintended consequences in all the areas we are talking about.

**Chair:** I understand all of that.

**Margaret Burgess:** They have not come up with that.

**Q594 Chair:** With respect, you are repeating the answer you gave us earlier about the difficulties. We understand that your view is that you have difficulties, but they have said that you do not have difficulties. They have said that it can be done. I think it is reasonable for us to be disappointed that you have tended—not you personally—but the Scottish Government have tended to deal with this in public events and debates across the chamber floor rather than actually pursuing them through official to official or writing to them to clarify exactly what the UK Government Ministers meant when they said that this could be done.

Particularly strongly before that given that all the evidence we have had is that DHPs are not the best way of dealing with this. I am not looking for disagreement where there is not any, in this since, because I think both of us want to try to ameliorate the effects of the bedroom tax as best we can. However, I think there is a genuine disagreement perhaps about whether or not DHPs are the best way of doing it. Given all the reservations that we have had from witnesses about the difficulties of getting people to apply for DHPs, I wonder again, if even at this late stage, the Scottish Government will consider approaching Danny Alexander and David Mundell directly to say, “Look, spell it out”, because they have said they made the commitment, they have made the statement, “Spell out exactly how this can be done”. Does that not seem reasonable to you?

**Margaret Burgess:** Well, when they have been asked that, I may be wrong, but again the answer was the Scottish Government can give local authorities funding. It may well be that we certainly get assistance from this Committee to do it, to get them to spell it out in absolutely detail how they think we can take this forward, what they were talking about. I have no objection to doing that. However, we still have to—we are coming up to 1 April, we know the UK Government are already making changes to the regulation to cover another thing, and it would be a simple matter for them to do it with the DHP. The money is available, if then people are not getting that, it is back to hardship and applying for it.

**Q595 Chair:** We are here to help you, as I am sure you appreciate, but I am not sure, even if the cap was lifted, it would still achieve the objective of reaching everyone who requires to have the bedroom tax burden lifted from them. That is may be just a disagreement that we have, and that we are not going to reach a consensus on.

**Margaret Burgess:** I understand where you are coming from with that, absolutely. However, there is no scheme yet that is up and operating that we have seen that would not either involve debt write-off or some building on that arrears sitting next to the rent account beside their name, other than getting the regular debt discretionary housing agreement. Absolutely right, we want to get it out to people, we need to make sure it gets out, and

looking at any ways that we can do that would be very helpful. If we cannot, we have already said we will look at how else we get that money out there.

**Q596 Chair:** Plan B, right. Okay. Can I just mention that we are being filmed by Scottish Television, so if anybody is on the run from the Child Support Agency or the police or anything like that, if you want to disguise yourselves then—

You have mentioned a couple of times there about debt write-off, because one of the issues that we have been looking at is not the question of going forward, but the question of your going back. We have said that we would like to see that debts that people have run up as a result of the imposition of the bedroom tax being written off. Then we also want to see the money refunded. I am right in thinking that your powers that you have agreed to have debt write-off would cover arrears that people have run up so far?

**Margaret Burgess:** We have committed, in this current financial year, £20 million to local authorities to top up discretionary housing payments and mitigate against the bedroom tax. A legitimate discretionary housing payment can be to write off a debt. That is written-off and does not sit next to the individual. If the local authorities still have money that is unused for discretionary housing payments, in the year forward it would be hoped that if we could get this up and running properly there should not be debts accrued because of the bedroom tax in the year starting April 2014. We have said we have got £15 million in total, including the money we get from the DHP to fully mitigate. Therefore, there should not be people in debt because of the bedroom tax.

**Q597 Chair:** Let me just be clear about this then. The £50 million that is allocated going forward should meet all the costs of the bedroom tax for future years? It is your view that the money that has already been allocated should be sufficient to write off all the debts that people have incurred by using DHPs?

**Margaret Burgess:** No, I did not say to write off all the debts people have had. To some local authority, as have already been mentioned, we committed last year, or this current financial year, £20 million. That was all the money the Scottish Government had in their budget available, £20 million, which we took from other funds to help mitigate the bedroom tax. From that money there should not be any of that £20 million left in the local authorities for people in arrears.

**Chair:** I understand that.

**Margaret Burgess:** That money should be used for that. Some local authorities have used some of their own funds, as I think was mentioned by a Member earlier, to assist with debt write-off. Our commitment for this financial year is £20 million.

**Q598 Chair:** I understand that, but if you are spending £50 million next year to meet all the costs of the bedroom tax then clearly £20 million for the current year is not going to be sufficient to meet the same level of difficulties. Presuming that the £20 million is in addition to the other money, is it? Or addition to the local authority money? Maybe you can just clarify for me whether or not that £20 million takes the overall figure up to £50 million for the current year?

**Margaret Burgess:** No, the £20 million for the current year. There is £20 million to top up—the figure to top up was the £20 million. The discretionary housing payments we currently have from the DWP would be—

**Jamie MacDougall:** The UK funding DHPs in this financial year was £13.5 million without—

**Margaret Burgess:** That is £33.5 million available for discretionary housing payments—

**Chair:** Already?

**Margaret Burgess:** —in this current financial year.

**Q599 Chair:** An extra £20 million should mean it is the same amount of money available for the current year as you are making available for the year going forward, is that right?

**Margaret Burgess:** No. The year coming forward we are still making that £20 million available plus another £15 million.

**Chair:** Oh, sorry, 15? Sorry, I thought you said 50. Sorry, I misheard.

**Margaret Burgess:** It will bring the total up for the next financial year to 50 million.

**Chair:** Right, sorry.

**Jamie MacDougall:** Just to be clear—

**Chair:** Maybe I am just being slow on the uptake here. These things are quite complex. I just want to make sure that you are telling us that there is enough money being made available in the current year to write off all the debts?

**Margaret Burgess:** No. The current year, we are talking about the year that stops at 31 March. What I said, in the current year the Scottish Government made available £20 million to add to the £15 million or £30 million—

**Q600 Chair:** That is insufficient to stop arrears building up?

**Margaret Burgess:** It may be in some cases.

**Chair:** Well, it must be by definition, because if it is costing £50 million next year and you are spending £35 million this year, then it seems to me that there is a gap there of £15 million.

**Margaret Burgess:** For example, next year is done on the premise that every single person would be eligible for a discretionary housing payment of every scheme that is set up. That was never said in this current financial year. We said we would top up the discretionary housing payments. There are some local authority areas where it is the minority of people who are not paying, or who are applying for discretionary housing payments and some people are not paying the bedroom tax element.

I know that people are struggling to do that, but I would have to reiterate, this is a policy not of the making of the Scottish Government. We have had to raid our other funds to do it. We had to do this in the last year with £20 million. But we have looked at it again, we have talked with other parliamentarians and said this year coming—and we will look at it in future years ahead—we will mitigate fully—

**Chair:** I completely understand that.

**Margaret Burgess:** We will fully mitigate 2014.

**Q601 Chair:** I completely understand, and it is a question of priorities. It is a priority for the next year, but it is not a priority for the current year then? Is that ...?

**Margaret Burgess:** No, it is not—that is just simply a misrepresentation. This is a Government that had our budgets cut by the UK Government in real terms by over 11%. This is a Government that had a budget put together, agreed and gone through and we found out that we had to take money from other budgets to help with the bedroom tax—

**Chair:** That is right, I understand that.

**Margaret Burgess:** —and that is the amount we came to.

**Q602 Chair:** If it was enough of a priority you would be taking more money from other budgets. Politics is about choices, I understand that you have made a number of choices and taken more money from other budgets to meet the cost of the bedroom tax, it is clearly not as much of a priority as, say, I might wish. However, that is a political choice. You are budgeting, as I understand it, that you will continue to have arrears in the bedroom tax, built up this year going forward, right? How do you propose that those be dealt with?

**Margaret Burgess:** In some areas the Scottish Government does not collect rent or collecting housing benefit.

**Chair:** No.

**Margaret Burgess:** Local authorities and social landlords have that responsibility. We have provided mitigation funding to help them talk to their tenants to how they could work with it. We have provided money for debt advice, for money advice.

The £20 million from the bedroom tax is part of a package that the Scottish Government—we are spending over the five years £258 million in mitigating policies of the UK Government. I think that has to be recognised. Clearly, we cannot mitigate all of the impacts of the UK Government's welfare reforms, so we are doing what we can. We have given considerable amounts of money already, we will continue to do so. We will continue to look at other ways how we can help with people that are most affected by welfare reform. The bedroom tax, I have to say is just a small part of the impact welfare reforms are going to have on people, and we cannot—

**Q603 Chair:** To be fair, we do understand. We do understand that. There is always a danger of looking at the bedroom tax in isolation from the other issues. It is because it has had a higher political priority to some extent, a higher profile, that we tend to focus on that. I completely

accept that. However, then we did make the clear recommendation that, unless I am mistaken, you are rejecting on behalf of the Scottish Government. Our recommendation was that ways should be found of writing off arrears and that there should be a refund of the monies that people have already paid for the period up until now, because that is effectively what you are doing going forward. If it is a bad policy next week, then presumably it is a bad policy last week. Is that your policy? Have I understood this correctly?

**Margaret Burgess:** There is no mechanism that we are aware of anywhere for either ourselves or anyone else to pay back people money that they have paid out in rent. As a Government we cannot do that.

**Q604 Chair:** Is this a political will? I mean, if you wanted to do it would you do it? We will help you if you want to find a way of doing it.

**Margaret Burgess:** I think we have to look at what the Scottish Government has committed, what the Scottish Government has already given in welfare mitigation. What we have to look at is what is happening in the years ahead as well—

**Chair:** I do understand that.

**Margaret Burgess:** —we do not want to see people in arrears because of bedroom tax. We think that we can tap at the resources, the £20 million better, if and our funding next year, if the cap were lifted we could get it direct to the areas and the local authorities where there is the demand, where people are struggling to pay, and not areas where there is not the same need for the bedroom tax. We are doing that. I am not going to sit here today and say that the Scottish Government has the budget, where it would come from, I would have to—I cannot commit the Scottish Government to say, “Yes we will go and we will pay back that money to people if there was a mechanism to do it”, because that is just something that I would not sit here and be dishonest and say I could do that.

What I would say is that we objected to the bedroom tax from the outset, as your own Committee has done. It is fraught with difficulties because we are dealing with a piece of UK legislation and trying to resolve it within the Scotland Act and our reserved powers, and that is fraught with difficulties. We are doing everything we can. The view of the Scottish Parliament is that the discretionary housing payment is the best way to deal with that. I accept the point you make that people are not engaging, and I think there is work for us all to do in that to get these people—but the Scottish Parliament is overwhelmingly of the view that that is the best way forward and the route we should take. I would hope that your Committee would be in support of trying to get—

**Q605 Chair:** Yes. I want to be clear, that we disagree about it being the best route. We also think, privately I suspect, the Scottish Government accepts that the UK Government is not going to agree to lift the cap. Therefore you are going to have to look for a plan B. We are satisfied from what you are saying to us that a plan B is being sought. I am quite prepared to accept in good faith that yourselves and others are trying to find another way of doing it. Again, I think it is important for our recommendations.

Where I think we are in disagreement is that you are not supporting our recommendation about writing-off existing debt, nor our recommendation about paying back

those that have already paid some of the bedroom tax, irrespective of the difficulties. These are two elements always to these sorts of things. Firstly, is the question, can it be done and how it can be done. The other is, do you want to do it. I detect signs that you basically do not want to do it. If that is not the case and this is something that you feel you are going to take back for somebody else in the Scottish Government, I can understand that. It is always a temptation for Ministers to go places and commit their Government to huge amounts of spending, I understand that temptation. If you want to resist that and say, “Look, I will take this back” I think we would accept that, and we would then pursue it elsewhere. Is that in fact what you are saying?

**Margaret Burgess:** I did not say as a blanket, we would not agree to write off arrears and provide funding. What I said is some of the funding we have provided is under the DHPs, can be used to write off arrears, because you can have a deal to write off rent arrears. At this stage, I do not think the figures are in, and I might pass you to Jamie for that. I do not know the level of arrears when there was Scottish Government funding available, because we give it to local authorities who manage it, we cannot do that. I think paying back is not just fraught for a Government to do or say we can do, but fraught because we are paying back something to a tenant, to an individual who has paid it out to housing benefit, which does not come to the council, which does not come to the Government. I would think that there is a mechanism to do that. I understand some people may feel they are paying and others are not, and others have a DHP and have their arrears written-off and I understand the difficulties. However, certainly in terms of arrears, I did not say that we would not write off arrears. We gave money when it was there, for local authorities to use to mitigate any way they can.

**Q606 Chair:** I am sorry to repeat the point, but the amount of money that we are seeing is not enough.

**Margaret Burgess:** The amount of money would not be enough if nobody at all had paid any bedroom tax anywhere in Scotland. That is why next year we are doing it on the premise that everybody should be mitigated.

**Q607 Chair:** You think that the amount of money that is already available is enough to cover all the areas that have been built up?

**Margaret Burgess:** I would need to look at that and check with the local authorities at the end of the year. I do not want to—

**Q608 Chair:** That is a reasonable position. If it turns out that it is not enough would you undertake to look at it again?

**Margaret Burgess:** We will always undertake to look at anything that our local authorities have cause to bring to us.

**Q609 Chair:** We can go back then, can we, and say to local authorities and the campaigning groups that are here, that if the amount of money that has been made available has not proven to be sufficient to overcome the question of debt, then the Scottish Government will look at that again?

**Margaret Burgess:** What I am saying is if that is not enough we would have these discussions with COSLA and also if the cap gets lifted then the money this year, I do not know, perhaps we will have to go to Jamie, may be able to assist for debts from last year. We are in an area here that we are not in control of.

**Chair:** No, I understand that. I remember being a councillor in Strathclyde during the time of the miners' strike when we wanted to help miner's families. It was incredibly difficult to do. The difference is the political will was there. We decided that this is where we wanted to go and we tried to find ways of doing it. I think that is the issue that is not entirely clear here. That is very helpful, just now your last statement, which as I understand was basically you will look at, in the forthcoming year with the money that has been made available then, whether or not that can be used to deal with arrears that have built up. If that money is not sufficient then that amount of money would be reviewed and reconsidered. I think that is something that is constructive and helpful.

**Q610 Jim McGovern:** Just following on from what you said, Chair, about the political will. I do not really often find myself agreeing with a Tory minister, but David Mundell also said in his evidence to the Scottish Affairs Select Committee just last month, that he felt the attitude of the Government in Scotland was—and I could quote what he thinks that which it was—if you agree to take further this issue let us choose the basis that the UK Government is likely to find the least able to work with and seek to create a Scotland only issue. Listening to your answers, it seems more and more to me like David Mundell called that one correctly. He is saying that it was possible and always has been possible for the Scottish Government to mitigate the effects of the bedroom tax. It looks to us, and certainly looks to David Mundell as if the Scottish Government is looking at every hurdle and saying, “Cannot be done, cannot be done, cannot be done”, “A bad boy did it” and running away.

**Margaret Burgess:** Well if I could say something on that. Chair, I am not particularly concerned with what David Mundell said. David Mundell is—and you are quoting him as a Tory—David Mundell's party introduced the bedroom tax. David Mundell supported the bedroom tax and David Mundell comes up to Scotland and sees the impact that it is having on the people in Scotland that we told him about ages ago.

Now we have a right as a government to challenge him in that every time, and we have done so. We are not looking for a difficult way, and asking for the cap to be removed is a very simple way. It is a piece of secondary legislation that they are taking through another piece in any case, it would not be difficult. The UK Government still gets their savings, because this is what it has all been about—the UK Government making savings. They still get their savings on it, and it allows the Scottish Government to deal with it in the way that the Scottish Parliament thinks is an appropriate way to deal with it. That is the way I look at it. For David Mundell to talk about political posturing is just not acceptable to me. We are trying to take it on in the constitution or whatever, because I did read what he said. We actually thought it was a simple way for the UK Government to say, “Okay. We get our savings in it. It is not a piece of work you can do. Housing reserve in Scotland, the housing benefit is not—okay, we will agree that you can do it your way by lifting the cap.” It is

costing them nothing, it is a simple way to do it and allows the Scottish Parliament to take forward what we have decided, which is to get the cap lifted.

**Q611 Jim McGovern:** Thank you. Just one other point here. We are in a meeting with members of the public in attendance and we are certainly not trying to insult anybody's intelligence by any means, but some of the answers that you have given are just going right over my head. I do not know how everybody else feels about it, but I would hope—I will try and keep the next one simple for you, and hope you can give a fairly simple answer.

David Mundell also suggested that local authorities have the power to re-designate or redefine what a bedroom is. That would be if someone is using a room in their house for an alternative purpose, for example, a teenager studying for exams or for disabled equipment, et cetera, then the Scottish Government have the power to re-designate. Do you think that is something the Scottish Government would consider in the future?

**Margaret Burgess:** The Scottish Government does not have the power to do that, with respect.

**Jim McGovern:** He has lied again?

**Margaret Burgess:** I certainly wrote to—

**Jim McGovern:** He was under oath when he gave this evidence.

**Margaret Burgess:** The Scottish Government does not have the power to tell local authorities how to run their housing stock. We certainly had this discussion. Because clearly it seems like a good way forward for a local authority to say that this is not a three bedroom house, it is a two bedroom or it is a one bed. I wrote to local authorities in March last year about this asking them to consider it. Immediately the DWP put around a circular saying that they would not accept any blanket re-designation of houses, because that would be circumventing the rules and their intention. That is what David Mundell was asking us to do.

**Q612 Jim McGovern:** Well, I will tell you exactly his words, it is quoted here, “The UK Government do not place any bias on the ability of the Scottish Government to re-designate properties.” You are saying he is wrong?

**Margaret Burgess:** The Scottish Government does not designate properties; local authorities designate the properties. Now we have had discussions, for example, with housing associations who tell us that they have to look at their wider housing stock, not just the houses affected by the bedroom tax. You could have a row of houses all the same size, some people are affected by the bedroom tax, some people not. You would have to re-designate all the properties, look at how that impacted the rental income, the housing associations are telling us that would impact on their covenants—

**Q613 Jim McGovern:** On the point the Chair made earlier on about what David Mundell said and what Danny Alexander said, I would have thought the Scottish Government would have said, to use the parlance, “We’ve won a watch there, let’s write to them and say outline how de do that”. Can you see the points here about re-designation, but why do you not just write and say, “Can

you clarify this. Explain it comprehensively”? That record of statement is under oath at the meeting. Explain it, please.

**Margaret Burgess:** There are a number of things in that, and certainly Jamie might want to come in a bit more on the technicalities of it. We meet our housing associations, COSLA and our local authorities frequently, and this is not an area as they see as being a solution to the bedroom tax either.

**Jim McGovern:** Well, our solution is to abolish it but until we get that done—

**Margaret Burgess:** They do not see it as helping things. They see it perhaps costing them more in administration, causing them problems with the financing, as I said earlier, causing problems in the rental income where they have to change the rents of all the properties. There have been lots of cases, as we know individual cases, for re-designation that have been successful at tribunals, and I know there have been many more down south than there has been in Scotland, because there is not the same support provided to the top up of the DHP in some areas. I would say while I absolutely understand what you are saying, we are all looking at ways to—we all want to abolish the bedroom tax, I accept that everybody in this room I am sure wants to abolish the bedroom tax. But what I would say is that, in looking at that as a means to do it, a blanket re-designation is not a solution that local authorities tell us that want to adopt. Jamie, you might want to say what the role of the Scottish Government is, in terms of we are not landlords.

**Jamie MacDougall:** Well, the quite simple reasons we have asked to clarify it is because it does not really matter how the Scottish Government views a property and how many bedrooms are in it. For housing benefit the only entity that matters about how many bedrooms there are is the DWP. A landlord has to tell the local authority revenues and benefits section what the properties are, how much the housing benefit apply for them. The construction of that, in terms of how many bedrooms, DWP then decides, or if there is any families that need their housing benefit docked because they under-occupying. The Scottish Government comes in with Scottish legislation saying, “No we think that is a two bedroom, or one bedroom” but that does not make any difference, because it is that relationship between DWP and the local authority that counts.

**Q614 Pamela Nash:** Just to follow up on that, my recollection of the conversations in the Scottish Parliament about the mitigation of the bedroom tax a year ago, the Scottish Government’s argument was that they did not have the money to mitigate it. I do not remember many arguments about the mechanism being the problem. I seem to remember Johann Lamont being asked what she would do, what she would cut in order to fund it. She was not asked what she thought the mechanism was from the First Minister. I have to say, with my colleagues, we are flabbergasted that you, as the Housing Minister, did not contact the Chief Secretary to the Treasury when he said very publicly that the Scottish Government had the power to mitigate the bedroom tax now. That leaves me thinking that this delay is only an excuse as to why the Scottish Government has not mitigated the bedroom tax for the last year.

**Margaret Burgess:** I do not accept that at all. The Scottish Government from the outset have said for three years they have been fighting the bedroom tax and welfare reforms, and I have to say, and I think the Chair accepted it, it is part of an overall package of welfare

reforms that we were listening to in the Welfare Reform Committee, listening to the real stories of people, not just impacted by the bedroom tax, impacted by the Work Capability Assessment, impacted now by the sanctions and the cuts in their benefit. We set up the Scottish Welfare Fund, we talked it up as well. We have put lots of money into mitigation, we have been opposed to the bedroom tax, but rightly we have challenged the UK Government at every turn. We do not think we are getting the right share of discretionary housing payments in any case, because we have 14% of people, I think, affected by the bedroom tax and get 9% of the discretionary housing payments. We get less in Scotland for discretionary housing payments than they do in London, although we have more people impacted.

**Q615 Pamela Nash:** Is that not just because the rents are cheaper though?

**Margaret Burgess:** No, the fact that the rents are higher in London is not a problem for Scotland. The fact is that we have got more tenants in Scotland affected by the bedroom tax, so we should be getting an appropriate share of that. We have taken that challenge on with the UK Government.

**Q616 Chair:** Sorry. I think this is quite an important point to address, it has been done on the basis of need, rather than just simply on the basis of population and, just as Scotland benefits compared to the rest of the UK in a whole number of different ways when cash is allocated according to need. Here you cannot even make a reasonable comparison between rents in London and rents in Scotland. There are boroughs of London that are getting more DHP than Glasgow, but that is on the basis that their rents are five and six times higher. Therefore, the payments necessarily are so much greater. We have managed to have a reasonable consensus on a number of points up until now. I do think that that is an unfair and unreasonable point if I may say so.

**Margaret Burgess:** Well it is a point nevertheless that I make. 24% of tenants in Scotland are in the social rented sector, which is a higher percentage than other areas. We do not think we are getting our proper share of DHPs. Even the way the DWP distribute the DHPs is still not in areas of need. Because there are some areas in Scotland where—even talking up to the maximum and that is why we want the cap lifted—is not enough. There are other areas who are getting money from the DWP for DHPs and do not require it all. It is not done according to need and that is why we want to target that effectively and make sure that the areas that do need it get enough to cover them. I think you would agree that that is—

**Q617 Chair:** My understanding is that if you had, as you wished, the ability to top up DHPs above the 150%, those payments would be entirely demand led, and therefore, the question of allocation would not come into it. That is one of the ways of overcoming the difficulties. That would also apply to the plan B. Whatever plan B is found, if it is genuinely demand led then this allocation would be overcome as well.

**Margaret Burgess:** It would be demand-led.

**Q618 Chair:** I am always happy to find things where we agree, rather than finding a disagreement unnecessarily. I think that has covered all the points as we want. As I said informally before we came in, we always make a point of asking people whether or not they had any answers prepared to questions that we have not asked or any points that you feel that we have missed that you want to leave with us?

**Margaret Burgess:** No, I think I would only just again ask the Committee to do anything that they can to support us in trying to get the DWP to agree to lift that cap. That is

the preferred route of the Scottish Parliament to take this forward and help people. We will then certainly do everything to ensure that that money gets out to those families that need it.

**Chair:** I think it would be inappropriate for me not to respond by saying that we have been to West Lothian, Falkirk, we have been here in Dundee; councils of different political persuasions; we have met all the campaign groups. Nobody believes that DHP is the best way of tackling this. However, we are also happy to have support from Falkirk and West Lothian and indeed unanimously from Dundee in an outbreak of unity from the councillors that we had before us. They are all in favour of writing-off the debts and repaying the amount of money. So hopefully you will be able to take that away with you as well. Thank you very much for being with us.