Consultation on Protection from Eviction (Bedroom Tax) (Scotland) Bill

Submission from CIH Scotland

December 2013

CIH Scotland welcomes the opportunity to give evidence on the proposed Bill aimed at a legislative change to prohibit evictions solely for arrears of ‘bedroom tax’.

On a UK-wide basis CIH strongly opposes the bedroom tax. Even if it has not been imposed retrospectively, it would have been a cruel and punitive measure. Penalising existing tenants has made it even more unfair, especially because – as has been well documented in Scotland and across the UK – few have the chance to move to a smaller home.

Undoubtedly the proposed legislation is well intended in seeking to protect people from losing their home. But CIH Scotland would not support any such Bill and our reasons for this are entirely practical. We believe that the proposed legislation would actually do more harm than good.

We do not believe that there will be mass evictions for bedroom tax arrears alone. At forums and events, councils and housing associations across Scotland are telling us that the majority of affected tenants are engaging with their landlord: most that are not paying are looking at their options and trying to find a way of paying. Landlords have no interest in taking action against people who are in touch with them about the problem. Only a small minority are neither paying nor engaging. Hence the Bill’s preventative impact would almost certainly be minimal.

Instead, we fear that such legislation would send the strongest message yet to tenants that it does not really matter whether they pay their rent or not. And it would effectively reward those tenants who persistently choose not to engage with their landlord.

There are already clear indications that some councils who very publicly declared ‘no evictions’ policies earlier in the year (we know of course that the policies did not rule out evictions) are now paying the penalty with particularly high arrears levels, with indications of non-payment of bedroom tax being as high as 75% in some cases. The proposed legislation – or merely the prospect of it – is likely to further increase arrears levels.
Importantly, we believe that inappropriate messages about rent payment can affect not only the level of bedroom tax arrears but also of general arrears. There is clear evidence – not least from the Scottish Housing Regulator’s recent survey – that overall arrears are rising. Whilst some of this is likely to be down to the recession, it has to be a possibility that some of the messages around the bedroom tax have led to a more relaxed attitude from some tenants about their overall responsibility to pay their rent.

It is curious that the consultation document comments that ‘local authority pledges not to evict…have been criticised by some housing professionals for providing nothing more than existing best practice in rent arrears control’. Where housing professionals, including CIH Scotland, have commented on such policies it has been to observe that they were not new, not that they were somehow deficient. What was wrong was the high profile way in which many councils publicised their policy, as this risked giving an unfortunate message about responsibility for paying rent. Most if not all housing associations have long had the same, sensible policy, but have chosen to be discreet in their approaches to publicity. As a result, arrears within housing associations appear to be generally lower than within local authorities.

What the legislation would not do is remove the debt and the worry that this brings to tenants. Furthermore, the increased arrears levels resulting from such a policy would impact significantly on the 85% of social housing tenants not directly affected by the bedroom tax: ultimately it is they who will have to cover the cost of rising arrears levels. When the consultation document refers to the implications for ‘the tenants themselves’ it should be considering the impact on all tenants.

CIH Scotland would also question why it would be appropriate to pick out this one group of tenants affected by the welfare reforms. It would seem disproportionate to legislate for one particular group of tenants but not for another, such as private tenants under the age of 35, who have been badly hit by much greater cuts to their Housing Benefit.

There are other practical considerations. Tenants’ rent accounts do not have an automatic mechanism for identifying bedroom tax arrears separately from general arrears. Whilst landlords are working to find ways of making the distinction, it will not be helpful to introduce legislation which deals exclusively with one type of arrear. On top of this is the prospect of it being all but impossible to make the distinction in the future under Universal Credit.

Focusing attention on supporting tenants to pay their rent – not least by helping them apply for Discretionary Housing Payments – will benefit both tenants and landlords far more effectively than prohibiting evictions and imagining that the problems faced by tenants and landlords have therefore been solved.