



OFFICIAL REPORT
AITHISG OIFIGEIL

Social Security Committee

Thursday 28 March 2019

Session 5



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SOCIAL SECURITY COMMITTEE

9th Meeting 2019, Session 5

CONVENER

*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

DEPUTY CONVENER

*Pauline McNeill (Glasgow) (Lab)

COMMITTEE MEMBERS

*Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP)

*Jeremy Balfour (Lothian) (Con)

*Michelle Ballantyne (South Scotland) (Con)

Keith Brown (Clackmannanshire and Dunblane) (SNP)

*Mark Griffin (Central Scotland) (Lab)

*Alison Johnstone (Lothian) (Green)

Shona Robison (Dundee City East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Mike Dailly (Govan Law Centre)

Aoife Deery (Shelter Scotland)

Rob Gowans (Citizens Advice Scotland)

Eilidh McIvor (Living Rent)

Gary Neil (Rock Trust)

John Rafferty (Bethany Christian Trust)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Social Security Committee

Thursday 28 March 2019

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Bob Doris): Good morning and welcome to the Social Security Committee's ninth meeting in 2019. I remind everyone present to turn mobile phones and other devices to silent or to switch them off so that they do not disrupt the meeting. We have received apologies from Keith Brown MSP, who unfortunately cannot be with us. Other colleagues should join us in the course of the meeting.

Agenda item 1 is a decision on taking business in private. Do members agree to take in private item 4, which is consideration of evidence heard during the meeting?

Members indicated agreement.

Social Security Support for Housing

09:01

The Convener: Item 2 is the second evidence session for the committee's inquiry into social security support for housing. This week's session will comprise two panels and will focus largely on organisations that support tenants and those seeking accommodation.

I welcome our first panel of witnesses, who are Aoife Deery, campaigns and policy officer, Shelter Scotland; Mike Dailly, solicitor advocate and principal solicitor, Govan Law Centre; and Eilidh Mclvor, volunteer, Living Rent. I thank the three of you for joining us to help with our inquiry. With your permission, we will move straight to questions.

Alison Johnstone (Lothian) (Green): The impact of the changes to the local housing allowance is that it provides much less support for housing costs than it used to. I appreciate that there are differences across the country but, in areas where rents are particularly high, such as my region of Lothian, that can be an issue. Less than 5 per cent of the market might be accessible to someone who seeks to rent a one-bedroom property in Lothian. I accept that that is a particularly dire situation that does not apply across the country, but what problems would that cause someone who was looking to rent through using housing cost payments?

The Convener: Who would like to go first? Mr Dailly has caught my eye, so he can go first. Before he does so, I point out that I do not always know when people want to speak, so please telegraph it when you want in.

Mike Dailly (Govan Law Centre): Ultimately, the local housing allowance is completely inequitable—there is no doubt about it. Even when it was introduced in 2008 and was set at the 50th percentile, it caused problems. It is now set at the 30th percentile and the reality is that it has been frozen and is not linked to local market rents. For people in Alison Johnstone's region, for example, the discrepancy between the local housing allowance, which has been frozen, and what people have to pay on average in rent is about £22 a week. Immediately, we see that people in the private rented sector who receive universal credit housing costs or legacy housing benefit are ultimately pushed into poverty. The system is discriminatory, because those people are treated differently from tenants in the social rented sector and are having to find extra money to pay their rent.

The reality in the Lothians and greater Glasgow is that, on the basis of the consumer prices index, rents in the private rented sector have almost doubled since 2008. Rents in the private sector are overheated and, at the same time, because of the hostile environment that the United Kingdom Government has created, the situation has got tougher and tougher for tenants.

Aoife Deery (Shelter Scotland): I agree with everything that Mr Dailly said. Most of our experience on the issue has come from the Lothians, so I know exactly what Alison Johnstone is talking about. An affordability gap has been created. As the private rented sector has grown, families have increasingly moved into the sector, and a lot of them are struggling to sustain their tenancies. It is also difficult for younger people to access tenancies in the PRS because of the limited help that LHA now gives them.

Eilidh McIvor (Living Rent): I echo what has been said. As a union, we represent any tenants, but a lot of our members—particularly in Edinburgh—are under 35, and they get the reduced shared room rate, which means that there is even more of a squeeze for them than there would be if they got just the reduced rate.

There is a massive discrepancy in the support that people receive and in what they need to pay for their rent. For example, we represented a young person in her early 30s who was in full-time work but was in receipt of social security support. When she had to leave a tenancy because she could not afford the rent increase, it took her five months to find another place that she could afford, with her housing costs paid and topped up with her wages. She was homeless for five months because she could not find a place to live, which was incredibly difficult for her, as she was also struggling with mental health problems. The situation is bleak, particularly in places such as Edinburgh. That case came from Edinburgh.

Alison Johnstone: That is shocking. If only 5 per cent of the market is accessible to some people, it will take them longer and longer to find somewhere to live. Where are we heading with that problem?

Mike Dailly: The situation is not sustainable, as I have said in other committee meetings in the Scottish Parliament. Govan Law Centre has views on what the Scottish Parliament can do with the powers under the Scotland Act 2016, but we accept that the Scottish Government cannot mitigate everything that comes from Westminster.

The market in the central belt has been overheating and overheating. Rent increases are double the rate of inflation, so that position cannot be sustainable. In Glasgow, our clients see rents in the private rented sector as being double the

rate of those in the social rented sector but half the quality. Given how much of the private rented sector is funded by the public purse, we need to do something about that situation.

I should declare that Govan Law Centre is assisting the deputy convener with her proposed bill. We need to look at wider systemic solutions. The Scottish Parliament could do more on social security, and we call on the Scottish Government to return the local housing allowance to the 50th percentile of local rents. I appreciate that that funding would need to come out of the Scottish Government's budget; that would not be easy, but it would be fair.

We also want to get rid of the discrimination against people who are under 35, which is completely wrong, and to beef up the Scottish Government's good intentions, as were seen when it introduced the Private Housing (Tenancies) (Scotland) Act 2016. Nobody has ever used a rent pressure zone. The powers on rent control under that act—well intentioned as they are—need to be beefed up, given where we are in 2019.

The Convener: I appreciate those comments. However, as I said last week, as tempting as it is to get into those issues, we need to keep reminding ourselves that we are the Social Security Committee, not the Local Government and Communities Committee. We are looking for recommendations on how the social security system could be changed at local authority, Scottish or UK level—we can make recommendations on all three tiers of government. Mr Dailly has given a specific proposal that is helpful, if challenging. In that spirit, any suggested changes to how the social security system works would be helpful.

Aoife Deery: In terms of social security solutions, removing the shared room rate would be a helpful measure to take. We should also restore LHA to a level at which it reflects market rents because, as Mr Dailly pointed out, the link between LHA and market rates has been broken over the years—one does not reflect the other. Revising LHA so that it allows people to access the market would be really helpful.

The Convener: That is helpful.

Eilidh McIvor: I echo Aoife Deery and Mike Dailly's points—we definitely need to get rid of the discrimination against young people. They can get only the shared accommodation rate and, on many occasions, that is not appropriate. That flat-out discrimination has to go.

It would be great to have increased support through discretionary housing payments. We know that the pot is finite, that there is a limit to what that can do and that DHPs must be used for bedroom tax mitigation. We support such

mitigation, but it would be beneficial if more money was available to support the discrepancies between rents and the amount that LHA covers.

It is important to remember the context. In the private rented sector, poverty has increased by 75 per cent, and marginalised groups—people who already lack power in our society, including young people, black and ethnic minorities, migrants, the working class and women—are overrepresented. It is therefore important that we think about the question socially and that we do as much as we can to ensure that poverty is not exacerbated.

The Convener: Does Pauline McNeill have a supplementary question?

Pauline McNeill (Glasgow) (Lab): Yes, although my question has probably been answered. Some people believe—I emphasise that it is only some people—that the new Secretary of State for Work and Pensions, Amber Rudd, is open to reviewing the universal credit system. If she was open minded about that, what would be your evidence for such a review to show that society is impacted by the reduced rate of local housing allowance?

Eilidh McIvor: Our members and tenants repeatedly tell us that, to make up the shortfall in rent, which is a priority payment, they need to reshuffle their already very tight budgets. Even for people who are in full-time work, it is extremely difficult to cover all expenses. Some are forgoing food and heating, for example—they are cutting back on things just so that they can make rent payments.

Pauline McNeill: Do you have evidence that the LHA rate is leading to homelessness?

The Convener: I see that Mr Dailly is nodding. A nodding head is not recorded in the *Official Report*, so do you want to come in?

Mike Dailly: Govan Law Centre certainly has evidence of that being the case. I echo Eilidh McIvor. If someone has a shortfall between their housing costs and their allowance, they cannot get into the social rented sector. There are lots of reasons for that, and we can go into that if the committee wants to. If people want to have a roof over their heads, they have to use what other income they have.

We have to see the situation in context—the reality is that people have zero-hours contracts and do not have work security. People are using whatever money they can to meet the shortfall and they are getting into rent arrears.

Govan Law Centre set up a specialist private rented sector project for the whole of Glasgow because we were seeing more and more people going to advice agencies across the city because of issues in the private rented sector. As Eilidh

McIvor said, poverty has increased exponentially in that sector in comparison with the social rented or home-owning sector. The evidence is overwhelming. The Joseph Rowntree Foundation did a study on the issues, which included Scotland, and there is no doubt—there is empirical evidence—that poverty has been created.

On social security solutions, Govan Law Centre has been running a campaign in favour of devolving universal credit in its entirety to the Scottish Parliament. We are supported by Unison, and the Scottish Trades Union Congress supports some of our recommendations.

Universal credit amplifies and exacerbates the mess that we are in. It is leading to more people going to food banks and more people being unable to pay their rent, being evicted and ending up homeless.

Aoife Deery: I echo everything that has just been said. People are becoming homeless from the private rented sector mainly as a result of the benefit cap, which compounds the problems that we have talked about. In preparing our recent submission to the House of Commons Work and Pensions Committee, we looked at and compiled our case evidence. We found that we had worked with about 80 families over 18 months who had been affected by the benefit cap, and many had become homeless as a result.

We know that people are really struggling to afford rents in the private rented sector. When people become homeless, that puts more pressure on an already pressured homelessness system and creates what we think is a bit of an untenable situation. If we are talking about social security solutions, we also need to consider removing the benefit cap as a priority.

09:15

The Convener: Several specific proposals have been made, but I am going to resist the temptation to ask whether the UK Government should act or whether the Scottish Government should implement mitigation measures. Has there been any estimate of the cost of what has been suggested on the 50th percentile and the shared room rate across Scotland or in a local authority where a bit of work might have been done? It would be helpful to know that.

More important, how many individuals or families out there in the communities that we represent might be more likely to find a quality private rented sector housing solution as opposed to some hugely expensive and imperfect solution involving long-term temporary furnished accommodation? There is a lot of money tied up in the system, and I am keen to know the projected number of individuals or families who might benefit

from the 50th percentile and the shared room rate going by being allowed to move into good-quality housing solutions.

Mike Dailly: That would require a piece of work to be done, but the data is available across different parts of Scotland. For example, we know how many people receive housing payments through universal credit or housing benefit. I am not volunteering to do the calculation myself—I would need to go back to my office and find out whether we had the resources to do it—but I think that, between us and Shelter, it could be done.

Although we cannot give you a specific figure right now, the very short answer to your question is that the number of people who would gain from that recommendation would be significant. On Alison Johnstone's point about only 5 per cent of the market in the Lothians being open to those who are looking to rent privately, I think that going up to the 50th percentile would open the market to more people, which would be a good thing. At the same time, I am conscious of the downside. Would such a move fuel and overheat the market? Given the committee's remit, I will not go into the other solutions that need to be in place. We need a multifaceted approach—I accept that—but I think that social security lies at the heart of it.

The Convener: That was helpful. My reason for asking the question is not that I expected Shelter or Govan Law Centre to have done the work but that if we are looking at a social security solution, some projections need to be done. One of the most expensive and ineffective ways of supporting people in tenancies is to put them in temporary furnished accommodation without any permanency or security. Do you have any comments on the expense for those who have to use that option or, indeed, for the public purse, which has to fund what is sometimes pretty poor accommodation for our constituents? How could that money be better spent? Some numbers in that respect, whether you have them with you or would need to provide them later, would be helpful. Aoife, can you comment on that?

Aoife Deery: Definitely. I do not have the exact numbers to hand—I will provide them to the committee later—but the sort of temporary accommodation that you have referred to is extremely expensive in some local authorities. Often, the price is triple what it would be as a mainstream flat. It is a confusing and almost ridiculous situation for a person who becomes homeless and is living in temporary accommodation to have to pay way over the odds for what, as you have rightly said, is often quite poor-quality accommodation. It would absolutely make financial sense for some to move into the private rented sector; the sector works very well for some people but not for others, and it would be

a really valuable use of the committee's time to look into that matter. As I have said, I do not have the exact figures to hand, but I will provide them.

The Convener: Before I bring in others on that issue, could you flesh out what elements of the social security system would pick up the costs if the person is not working? The important issue is how we take those costs out of the system and put them back in in a way that supports people to get the housing solutions that we all want to see.

Aoife Deery: If I have understood you correctly, if a person is not working and they go into temporary accommodation, that cost is covered by housing benefit—it is not yet covered by universal credit housing cost contributions—so it represents a huge cost to the public purse. If the person is working, they are eligible to pay that cost themselves, and we have worked with many families who have accrued massive arrears as a result, because as Mr Dailly put it, a lot of people are in insecure work and are on zero-hours contracts, and they struggle to meet the often exorbitant cost of temporary accommodation. Either way—whether housing benefit covers the cost or the person does—it is not really a sustainable way of dealing with the issue of temporary accommodation.

The Convener: That makes sense. Anecdotal information from any politician should always be taken with a pinch of salt but, anecdotally, from my constituency casework, I know families who are homeless but in work, who stay as sofa surfers in pretty overcrowded situations with families or friends because they cannot afford the eye-watering costs of temporary accommodation as well as the costs of putting their furniture in storage with the local authority contractor that does that. What they do is put their furniture in storage in the cheapest possible place and then sleep on sofas and camp beds in the houses of family and friends. Such families go under the radar. That is anecdotal evidence, but it is not anecdotal if our witnesses tell us that it is an increasingly common event or occurrence.

Mike Dailly: It certainly is an increasingly common occurrence. I think that there is also a sex discrimination aspect to the issue, because 80 per cent of parents who are homeless and in temporary accommodation are women. I have clients who are women with kids and who have gone back to work either full time or part time and who then cannot afford to stay in their temporary accommodation. I am in the process of raising judicial review proceedings against a local authority in the case of a client of mine who is being sued for £14,000 of back rent. These are people who have tried to make good and have tried to get back into work but are stuck in an

arrangement that involves years in temporary accommodation as a homeless person.

As well as a gender issue, there is another equally massive scandal. I do not know whether members saw the report in last week's *Herald on Sunday*, but Govan Law Centre has been working with the paper and has been taking its reporters around what can only be described as homeless hotels in Glasgow that are charging more than £300 a week for a grotty room. We have clients who have lived in temporary accommodation in those rooms for more than 10 years. That money is public money.

Do not get me wrong—the Scottish Parliament has done some wonderful and innovative things on homelessness, but we are faced with the reality of the UK Government's austerity agenda, which has caused street homelessness to rise and so on. We rightly got rid of the hostels in Scotland, but we have recreated them under the guise of hotels that are privately owned, which are ripping off people and ripping off the public purse and causing misery.

The Convener: I am conscious that Eilidh McIvor has not had an opportunity to respond to this line of questioning. Do you want to add anything, Eilidh?

Eilidh McIvor: I would like to echo a few things that have been said. As I said before, the tenants we have supported tend to be single young people, and a lot of them are in work. We have not supported a lot of people who have been through the homelessness system, but a number of those who have been through it have told us that they have ended up sofa surfing or staying in various types of precarious accommodation with friends or family, simply because they have not been eligible to have the cost of temporary accommodation paid for them, because they were in work.

Aoife Deery: There are other hidden costs, whether the person accesses temporary accommodation or not, but especially if they do. We know that temporary accommodation often places families outside their support networks and their children's education networks, which means that they incur extra costs—transport costs, in particular.

You have touched on the quality of some of the types of accommodation that are provided. That accommodation often lacks many facilities—for example, we have worked with many families who have not been able to cook fresh meals or to store food and have had to rely on very expensive takeaway food, which is not sustainable for them.

The Convener: Mr Allan, I will bring you in shortly, but Michelle Ballantyne has been very patient and has a couple of supplementary questions on the same theme.

Michelle Ballantyne (South Scotland) (Con): Some of these issues have been covered. When we talk about temporary accommodation, who is commissioning the hotels that you describe? Who is driving or controlling the situation? Somebody somewhere is making the decision to use those facilities.

Mike Dailly: It is local authorities that are doing so. I can talk about the Glasgow experience. We do various things across Scotland, but Glasgow is one of our core areas.

Part of the problem with Glasgow City Council's situation is that it is a stock transfer council. From 2003, all its 80,000 houses went into social rented housing associations. The council then had to get back some accommodation, so it became a landlord again, and it has some properties that it uses for families. However, a single person will not get into one of those furnished temporary lets.

What does Glasgow City Council have? It does not have anything so, ultimately, it uses the private sector—in other words, the hotels that we have discussed. The big problem with the hotels is that they are not regulated by anybody. They do not provide support, so they are not regulated by the Care Commission. It is a lacuna in the law. They have slipped through a gap and are milking the public purse.

Michelle Ballantyne: The housing unit of the local authority is doing the deal with the hotels. As a commissioner of something like that and because it is paying for it, surely the local authority should be doing something about conditions and rents in the agreements that it makes with the hotels. Is the council just not bothering or is it just that the whole of the market has ganged up on it? What is going on there? It seems to me that somebody somewhere is not gripping the situation.

Mike Dailly: I would not say that Glasgow City Council is not bothering. There are professional council officers who want to do their very best and help people. However, the reality is that there has been an increase in demand in Scotland. Let us think about how we reduced homelessness. The Scottish Parliament did a lot to reduce rough sleeping and a lot of other good things through the Homelessness etc (Scotland) Act 2003, such as abolishing priority need and so on.

That was followed, from 2010 onwards, by the austerity agenda, which was a political choice that was made at Westminster, and a series of welfare reforms. We say that we have the lowest unemployment levels ever, but if someone works for one hour a week, they are counted as being employed. We have therefore created a system in which there is insecurity for people in work, there are disincentives for people to work, and we have

an increase in demand for such accommodation in Glasgow, which takes on the biggest demand in Scotland from all the surrounding local authority areas.

As someone from Glasgow, I would say this, but I think that Glasgow needs to be given ample support and backing, because we are carrying the biggest burden.

Michelle Ballantyne: Can I ask another little question, convener?

The Convener: Of course, but Aoife Deery would like to respond.

Aoife Deery: I want to supplement what has been said about who is commissioning hotels and unsuitable types of accommodation. Mr Dailly is obviously speaking from a Glasgow perspective, but most of our experience is of Edinburgh.

Our belief is that such unsuitable accommodation is procured by the council because there is massive pressure on the system. It is not really done through choice. Because the City of Edinburgh Council set up its homelessness task force, we know that there is a real desire to reduce the use of that type of unsuitable accommodation, but it is under pressure.

Preventing homelessness from happening in the first place is the key. That relieves pressure on temporary accommodation, and that is where social security comes in and is absolutely crucial.

Michelle Ballantyne: Earlier, Mark Dailly talked about devolving everything to Scotland. We know that the economic management of what has been devolved so far is quite steady. You are asking for a completely different scenario, particularly in terms of economic shock. Have you given any consideration to that? What do you think that the impact would be? On transfer, the block grant would be adjusted accordingly, but the economic shock would sit with the Scottish Parliament.

09:30

Mike Dailly: I will explain why Govan Law Centre came to the conclusion that universal credit should be devolved to Scotland; in fact, I am in favour of all social security being devolved to Scotland. Universal credit was a good idea, but the problem has been in the execution and delivery. Colleagues in London who know about such matters say that it would have been easy for the universal credit system to have been designed to be seamless. People could have been automatically imported into it electronically, because the DWP has all that information. However, the system that we have created with universal credit results in people being paid in arrears; the way in which universal credit is quantified means that if someone gets two wage

slips, they end up having an overpayment; and people can have up to 40 per cent deducted from universal credit, which pushes them way below the breadline.

I genuinely believe that the system has been designed as part of the same hostile environment that the UK Government has created for asylum seekers. If you want to be kind to the UK Government, you could say that universal credit has been created as an incentive. There is the carrot and the stick, and universal credit is the stick to get people back into work. The system is completely flawed, though, which is why the only way in which we can sort it out for Scotland is for the responsibility for universal credit to come to this Parliament.

Michelle Ballantyne: But my question was about economic shock.

Mike Dailly: When you talk about economic shock, do you mean that that would happen because additional moneys would have to be provided?

Michelle Ballantyne: Because there is volatility in the system, in a way that there is not with the current devolved benefits.

Mike Dailly: Let us look at it from a cost-neutral position. Universal credit could be redesigned so that it was not such an ordeal to apply for it and it was not calculated in the same way. My point is about the way in which the social security system has been created, from the point of view of making an application. We know that the decision makers frequently get things wrong—

Michelle Ballantyne: But the application process for universal credit is simpler than it was with the legacy system.

Mike Dailly: I think that it has created more problems than we had in the past. What we have done with universal credit is to take one step forward and several steps back.

The Convener: As much as I, as a Scottish National Party member, might like this mission drift line of travel, I am convener of the committee. If the committee wishes to carry out an inquiry into the devolution of all social security benefits to this place—as Michelle Ballantyne seems to be suggesting—I would embrace that, but it would not be my decision to make as convener.

Dr Alasdair Allan (Na h-Eileanan an Iar) (SNP): I will try to stay on mission. I want to ask about rent arrears. A theme in many of our sessions on universal credit has been the potential links between changes to the benefits system, specifically around universal credit, and the rent arrears picture, from the point of view of tenants and landlords. Do you have any observations on that?

Aoife Deery: Later, you will hear from Citizens Advice Scotland, which has strong evidence that outlines how rent arrears have changed since the introduction of universal credit. It is absolutely our experience that universal credit has led to greater rent arrears for tenants. The five-week wait automatically puts tenants in the private rented and social rented sectors into arrears. In our experience, it is very difficult for tenants, particularly in the private rented sector, to get out of those arrears. The private rented sector normally charges rent in advance and the benefits system gives the money in arrears, so there is a gap. That puts tenants, particularly in the PRS, in a precarious situation.

It would perhaps be interesting for the committee to look into situations in which private rented sector tenants have got into arrears that have resulted in eviction. Under the new private residential tenancy, if a private rented tenant is in a month's worth of arrears for three consecutive months, that is a mandatory ground for eviction. Because of the way that universal credit is designed, it is very likely that PRS tenants will always be in arrears and at risk of eviction, and therefore at the mercy of their landlord, who can choose to pursue that.

Mike Dailly: I completely agree with all that has been said. When the Parliament was considering the Private Housing (Tenancies) (Scotland) Bill, as it was then, we were not particularly focused on universal credit. As has been noted, under that legislation, someone simply needs to have one month's rent arrears over three consecutive months and that is a ground for eviction. Govan Law Centre has case studies in which universal credit delays were way longer than five weeks, so people are going to be pushed into that.

The Scottish Government has done good things with Scottish choices. Powers have been used so that people can opt to have their rent paid directly to their private landlord, but even then there are examples of delays because the system has become much more bureaucratic and is not under the control of local government, as it used to be. All that results in a greater propensity towards eviction and, ultimately, the First-tier Tribunal has to overcome a fairly low bar to decide that it must grant a decree. We need to revise that aspect of the 2016 act, unless we are able to fix universal credit.

Eilidh Mclvor: We can see no logic in the five-week wait, which serves to put tenants, particularly those in the private rented sector, into debt. Going for that length of time without a wage would be incredibly difficult for anyone, so I do not know how people are meant to manage without money for that time. There is talk about run-ons of housing benefit, which is fine for someone who is

transferring over from housing benefit, but claimants who are brand new to the social security system and have not made a claim before do not get that run-on and have to wait for at least five weeks, if not longer. They could get an advance, but they will have to repay it, which would happen through deductions to future payments, so they will always be in a precarious situation.

We feel that the system has been set up to put tenants into debt, or to transfer debt to tenants. That debt affects people through not just the possibility of eviction per se but how they experience their home. They cannot heat it properly or escape from it—because they have no disposable income to go and do anything else—and they may be afraid of losing it, so they can never really call it their own. It is a much wider social question that is really serious and that goes against the grain of what social security should be.

Dr Allan: You have anticipated my next question, which is to ask whether the system of advances works. I am keen to hear whether others on the panel also have views on that. Anecdotally, we have heard much the same as you about how the system of advances does not work, for the reasons that you have given. Is there any evidence on that?

Aoife Deery: Unfortunately, our evidence is anecdotal, too, but the DWP should be able to provide more substantial evidence on how often advance payments are provided and taken up. Our experience is that there is low awareness of advance payments. Job coaches do not have very long with individuals who are making a claim to explain about advance payments and the process for accessing them.

We find that people who access advance payments are extremely worried about paying them back. Mr Dailly referred to them being paid back through 40 per cent deductions. I think that that has been reduced to 30 per cent, but it is still an extremely high percentage of what is often a low income; it is a lot for someone to take on.

Lastly, we find that people who access advance payments prioritise other debts that they want to pay off. We hear anecdotally from landlords that they may not see the rent that they are due that month because a tenant has used the advance payment to pay other debts.

Dr Allan: The proposal from Citizens Advice Scotland, whom we will hear from later, was mentioned. Do you have any views on how that idea of providing assistance that is not repayable might work?

Eilidh Mclvor: We would certainly support that. As I said before, we see no logic in making tenants wait for five weeks, if not longer, because of administrative delays. We feel that that goes

completely against the grain of what social security should be. If the Scottish Government has the power to introduce such a measure—I believe that it does, through top-up powers—we would certainly support the idea of a non-refundable assessment payment.

Mike Dailly: Govan Law Centre would certainly say that that is a very sensible idea. If it is a one-off payment that will result in somebody not being taken to the First-tier Tribunal for eviction, a cost benefit analysis would suggest that that makes sense, particularly if we think about the cost to the public of somebody being made homeless. There is empirical evidence that shows that the cost of accessing the various homelessness services can be anything from £20,000 to £30,000, so it would make sense to prevent that situation from arising. However, that solution involves putting a sticking plaster on a gaping wound.

Aoife Deery: Yes, we would support that proposal, which we would see as an investment in a person. It would avoid hardship, and it would support the tenant and the landlord. It would give the landlord the certainty of knowing that they would be able to keep on the tenant and to continue to rent to them.

Recently, we commissioned research into the “No DSS” approach, which showed that private landlords are increasingly worried about universal credit and that they cited the administration and the initial five-week wait as particular concerns. The proposal that you mention would give landlords a bit of peace of mind.

Dr Allan: Ms Mclvor, you mentioned the idea of the Scottish Government mitigating the situation. Without putting words in anyone’s mouth, I presume that it would be simpler if the situation were not created by the UK Government in the first place?

Mike Dailly: Absolutely.

The Convener: Can I clarify the point that you were making, Mr Allan, for the benefit of those who read the *Official Report*? Were you saying that, if the DWP will not facilitate payments within two weeks, instead of people seeking an advance from the DWP, the Scottish Government or some other body should step in and provide that money as a one-off grant?

Dr Allan: I was making the point that it would presumably be better if the UK Government had not created the problem in the first place.

The Convener: Absolutely, but the campaign call was that someone should step in to provide such a grant, whether that be the Scottish Government or another organisation. The underlying issue is that, given that jobseekers allowance and income support can be paid within

two weeks of application, housing support can surely be paid within two weeks of application, so why does the DWP not just do that? Is that the witnesses’ position?

Mike Dailly: Yes. In effect, that could be done through a discretionary housing payment. The difficulty with discretionary housing payments is that we are using them to offset the bedroom tax. That relates to your point, convener. We should not forget about the monster of the bedroom tax, which the Scottish Government is having to spend £50 million per annum to offset. In those circumstances, the DHP is for 52 weeks but, with any other DHP, the payment usually runs for 13 weeks. It is important to bear that in mind. I believe that the use of that power would be cost-efficient, because it would contribute to the prevention of homelessness.

Mark Griffin (Central Scotland) (Lab): I want to talk about direct payments to landlords. How well are the DWP’s alternative payment arrangements and Scottish choices working?

The Convener: Mr Dailly is the only witness who is making eye contact with me, so he can go first.

09:45

Mike Dailly: I was only looking up, convener.

I always like to compliment the Scottish Parliament information centre for its excellent work. What is interesting about the data in its analysis of housing and social security is the relatively low take-up of alternative payment arrangements and the Scottish Government’s Scottish choices. I am not sure whether that is because of a lack of awareness or other reasons, but Govan Law Centre is absolutely delighted that it has been possible for the Scottish Government to introduce Scottish choices because, not that long ago, we were terrified that people would not be able to have their rent paid directly to their landlord except in the limited circumstances of being able to demonstrate that they were vulnerable. We welcome the position in Scotland, but the official analysis of the take-up gives me cause for worry.

Eilidh Mclvor: We certainly support the opportunity to give tenants a choice. If they want to have their rent paid directly to their landlord because that would help them, for whatever reason, we absolutely support that. However, we view it as a sticking-plaster, particularly because people cannot get Scottish choices until the second assessment period, so they could already be in difficulty.

It is not necessarily useful to compare Scottish choices with alternative payment arrangements

because APAs are not granted for the long term; they are reviewed. People have to prove a certain level of need—a certain vulnerability—to get an APA and they need to give evidence that they need such an arrangement. The arrangement can also be reviewed at any point by their DWP work coach.

Ideally, we want a Scottish choice to be introduced immediately, in the same way as an APA can be introduced immediately, but without people having to prove that they are vulnerable in some way—people should have a choice.

Aoife Deery: I agree with everything that has been said, especially on the issue that direct payments can be instated only from the second assessment period.

We know from conversations with social landlords that there are administrative problems with alternative payment arrangements. In that situation, there is an alternative payment schedule, so the landlord gets paid at a different point. Administratively, it is quite confusing for landlords to separate out the payments because they get them in a big chunk, especially if they have a number of tenants with APAs. That may need to be untangled a wee bit.

People can have Scottish choices or an APA, and the uptake of the Scottish choices so far is quite low—I think about 38 per cent of the people who were offered the choice in the past year took it up. However, that low uptake could be for a number of reasons. People may already have an APA in place or they may not be aware of the Scottish choices. It is quite early days for Scottish choices. Perhaps that could be looked at a wee bit more to disentangle how people are accessing the choices and what they are getting from them.

Mark Griffin: We also heard last week about the issue of Scottish choices being available only from the second payment. Do all the witnesses agree that it would be beneficial for the Scottish choices to be implemented from the first payment?

Mike Dailly: Yes, definitely.

Aoife Deery: Yes.

Eilidh Mclvor: Yes.

Mark Griffin: My second point may address the low uptake issue. Do witnesses feel that direct payments to landlords should be the default position, with tenants then having a choice to opt out? That would cover anyone with a vulnerability from the outset.

Mike Dailly: Govan Law Centre would certainly support that. Eilidh Mclvor has talked about choice. Choice is often lacking in the private rented sector, because people do not have a choice over what they can access.

I am certainly sympathetic to the idea of giving a choice. If somebody is coping with different things in their life and they have to go and do something when other things are troubling them, they might not make that choice. If you make it a default position that they get Scottish choices, from a behavioural psychology perspective, that would be a good way of preventing rent arrears from happening and the tenant can then choose to opt out if they want to.

Eilidh Mclvor: We do not have a strong view on whether direct payments should be the default. We think that it is positive that there is a choice. The reason why we do not have a particularly strong view is that, even if payments are made directly to the landlord, that does not fix the problem that people have to wait five weeks for money. Making direct payments the default would certainly be beneficial, and some tenants would benefit from that for a range of reasons, but it would not fix that initial problem.

Aoife Deery: I entirely echo what Eilidh Mclvor has just said.

Mark Griffin: Last week, we heard evidence from the City of Edinburgh Council that it will use discretionary housing payments to cover people who are affected by local housing allowance shortfalls or by the benefit cap for up to 12 months, as long as they demonstrate that they have exhausted all other options. From my experience in Central Scotland, that seems to be more generous than what is on offer anywhere else. What are our witnesses' views on how discretionary housing payments are operating across the country? Are they as generous as that 12-month payment that is being offered in Edinburgh?

Aoife Deery: From our experience, for someone who is not claiming DHPs because of the bedroom tax or the benefit cap, it is difficult to get an award. Our experience is that mitigation of those welfare reforms is taking up most of the DHP pot. I was interested to hear that Edinburgh is committed to dealing with LHA shortfalls, because that is just not our experience. We also have problems with applications for people who are affected by the benefit cap, and with their awards being tapered off, which can lead to homelessness. It is definitely not our experience that, in Edinburgh and elsewhere, the needs of people who are facing LHA shortfalls are being met by DHPs.

Mike Dailly: It is interesting that Edinburgh has made that pledge, which is progressive and generous. To come back to the convener's point, Edinburgh must have data on what that costs, and it would be helpful to have that information on the journey of moving from using the 30th percentile to using the 50th percentile Scotland-wide.

Our experience in Glasgow is that, for non-bedroom tax DHPs, people have to repeat the process because, generally, DHPs apply for 13 weeks. The budget is strained. We should remember that DHPs were designed to cover a wide range of possibilities when people get into difficulties, including in the social rented sector. If the solution to the local housing allowance issue was for every one of the 32 councils in Scotland to use their DHP budgets to offset it, that just would not work, because they would not have the ability to do that.

Eilidh McIvor: I echo that. It is great that the City of Edinburgh Council can give payments for up to 12 months to address the shortfall in rent. It is good to know that, because we can now direct tenants to the council on that. However, as Mike Dailly said, from what we have heard from our colleagues in our Glasgow branch, the amount of time for which people can get DHPs there tends to be much shorter than that. That is the first that I have heard about the Edinburgh rate. Certainly, none of the tenants that we have supported who have DHPs for that purpose has ever said that they have had them for that length of time, but that might just be because it is new.

Mark Griffin: At present, local authorities rely on guidance from the DWP in administering their DHP budgets. Under the Social Security (Scotland) Act 2018, the Scottish Government now has powers to issue guidance. Should the Government look to do that fairly soon to iron out some of the anomalies across local authorities?

Mike Dailly: That would make sense, but it would still bring us back to the problem that not every local authority has the funds to do that. The Parliament frequently discusses that problem. Glasgow City Council, for example, has to sort out half a billion pounds for the equal pay deal for women workers. Guidance would be helpful, but I do not think that it would materialise into action consistently across Scotland. However, I would certainly welcome guidance from the Scottish Government.

Aoife Deery: I suggest that DHPs could be reviewed more fully. Local authorities quite rightly have the ability to operate them in various ways, depending on the local context. Every local authority has to fully mitigate the bedroom tax—we completely support that, of course—but I ask whether DHPs are the best mechanism to do that and whether it would be more useful for the bedroom tax to be moved out of the DHP system so that DHPs could deal with the problems that they were meant to deal with in the first place.

I echo the point that, although guidance would be useful, it is also a question of resources.

Eilidh McIvor: I echo that. Guidance would be useful, but I am not sure how that would span out in practice.

The Convener: Aoife Deery talked about the bedroom tax being moved out of DHP budgets. Are you saying that, however much it costs, we would still stay with the DHP budgets and money would be spent elsewhere? Was that a call for additional funds?

Aoife Deery: It was not necessarily a call for additional funds. We need to look at the issue, understand whether the bedroom tax is best dealt with by DHPs, and consider whether there is another method to stop the bedroom tax at source. We should review the options.

The Convener: That is helpful.

Michelle Ballantyne: I want to pick up on that issue. Will you clarify your understanding of the way in which DHPs are administered? You talk about mitigating the bedroom tax but, in reality, DHPs are means-tested awards. They are not necessarily there to directly mitigate the bedroom tax; people are asked whether they need the money and what their circumstances are, and an award is made to them on that basis. You said that the bedroom tax should be taken out and dealt with elsewhere. Are you saying that people who are in need for one reason should be looked at differently from people who are in need for another reason? Surely, when we are talking about means-tested need, they are the same thing in reality.

Aoife Deery: My issue with the bedroom tax being dealt with under the DHP system is that local authorities no longer have a discretionary choice to give DHPs for that reason. We believe that the bedroom tax should absolutely be dealt with and that people should not have to deal with it themselves, but the approach is no longer discretionary.

Michelle Ballantyne: But DHPs are still means tested. In most local authorities, people have to submit their income and expenditure when they apply, and they will get the money if the need exists. That is why I am asking for clarification.

The Convener: That is really helpful. However, if someone qualified to have their bedroom tax mitigated for the gap between the means-tested award that has already been applied and the rent, would means testing not already have been applied before DHP was used to mitigate the bedroom tax? It would be helpful to clarify that.

Aoife Deery: I see what you are saying, but that is slightly separate from the point that I made. Can I come back to Michelle Ballantyne on that question?

Michelle Ballantyne: Yes. Are you suggesting that everybody to whom the bedroom tax applies should get the money regardless of need? My understanding is that DHPs are means tested. If the two are separated out, how would that be managed?

The Convener: Ms Deery can speak for herself, but I think that she was making a separate point. She might want to make it again so that it is not lost during the exchange. Will you articulate again why you would like the bedroom tax funds not to sit within the DHP system?

Aoife Deery: I would definitely like to get back to Michelle Ballantyne on that point.

Michelle Ballantyne: That is fine.

Aoife Deery: I will reiterate what the convener asked me to reiterate. That could be an option to look at, as there is not discretion. Local authorities have to mitigate the bedroom tax because of the commitment that the Scottish Government has made. Therefore, there is no longer a discretionary choice, and maybe there is a better mechanism by which people could be helped if they are affected by the bedroom tax.

The Convener: I understand the point that you are making. Do you want to add anything in relation to the means-testing aspect before I bring in other witnesses?

Aoife Deery: No, I will come back to you on that.

10:00

The Convener: Mr Dailly, do you want to add something?

Mike Dailly: We have ended up with bedroom tax coming out of discretionary housing payments for a historical reason, which is that housing benefit is reserved, so, when the bedroom tax was introduced some years ago, that was the route that the Scottish Government used to offset it by the £50 million that was earmarked for that purpose. Obviously, since the Scotland Act 2015, we now have additional powers. My understanding is that, to be eligible to apply for DHP, someone has to be receiving housing benefit or universal credit housing cost contributions. I think that the convener is absolutely correct on that point.

We have never thought about whether it might be neater to now call the bedroom tax something else. However, I suppose that it would not change the cost of the policy. The pot is there, and calling something a different name does not change the fact that you just have a pot.

The Convener: The next question is from a very patient Jeremy Balfour.

Jeremy Balfour (Lothian) (Con): Patient is my middle name, convener.

I have two lines of questioning. The first goes back to the comments that Alasdair Allan made about rent arrears. Last week, we took evidence, particularly from the City of Edinburgh Council, that people had built up arrears under the old housing benefit system, too—no system is perfect—and that those arrears transferred when those people transferred to universal credit. When we are talking about arrears, how much is historical and how much is new? At this early stage, when universal credit is just starting to roll out across Scotland, what proportion of the arrears is historical rather than new?

Mike Dailly: In the experience of Govan Law Centre, historical arrears in the private rented sector are much more short-lived, if I can put it that way, than they are in the social rented sector, where there are landlords who are much more sympathetic. Often, landlords in the social rented sector have the wherewithal to allow very small payments of, say, £3 a week towards the arrears, and cases can sit in the sheriff court for years—sisted, frozen—to enable that to happen. A landlord in the private rented sector who has a buy-to-let mortgage on one property cannot do that, because, if that happened, they could not pay the mortgage. The reality is that the pressure that exists in the private rented sector is much tougher. I am not laying the blame at the door of private landlords; I am saying that the economics are completely different. That is why I am saying that, in the private sector, historical arrears do not last very long, because the tenant will get evicted.

Jeremy Balfour: So the system now is not that different in the private sector, in that, if I was on housing benefit and did not pay my rent previously, I would be evicted, and the same is true now under universal credit—there is not a difference as a result of the policy. As you say, someone who has a mortgage to pay has to pay that mortgage. In the private sector, there is not that much difference between the two systems because, either way, if you do not pay your rent, the landlord is likely to evict you.

Mike Dailly: That is absolutely correct, apart from the point that my colleagues have made, which is that the problem is exacerbated under universal credit as a result of the administration, the delays and the other problems that we have talked about, given the eviction grounds under the Private Housing (Tenancies) (Scotland) Act 2016. Do not get me wrong, we have experience of private landlords who are sympathetic and, perhaps because they have known the tenant for a long time and so on, will not simply move to eviction in a situation in which arrears have amounted to one month's rent over three

consecutive months. However, there are other examples of cases in which the landlord is under pressure and cannot sit around waiting for payment. It is the administration of universal credit that is exacerbating the position and increasing the likelihood of eviction and homelessness.

Eilidh Mclvor: On the question whether the arrears are historical or new, I do not have concrete data, but I imagine that they are probably a bit of both. Let us not argue about or ignore the fact that rents in the private sector are extortionate, so it is not unlikely that people who are facing a gap will also have built up arrears previously, under housing benefit. However, I echo Mike Dailly's point that the situation is compounded by universal credit. Whether people brought arrears over when they went on to universal credit or have developed them as a result of being on it, the fact is that they have to wait for the money, which puts them in a precarious situation. That might compound previous arrears, or it could be that new arrears arise. I do not think that we have the data to say.

Jeremy Balfour: Can I clarify that? I apologise if I am missing the point, but my understanding—please correct me if I am wrong—is that someone who needs money on the day when they go in to claim their universal credit will get that money given to them if they can show that they need it. I appreciate that they have to pay it back over 12 months, but you said that when people go in, they face a five-week delay before they get any money. If it is not working in practice, I would be interested to know the reasons why, but my understanding is that, if I go in and make a claim, I do not have to wait for five weeks, as I can get a loan. Is that the situation?

Eilidh Mclvor: It is. Some people will take advantage of that and some will not, for whatever reasons. It is for the tenant to decide, but I think—

Jeremy Balfour: The tenant does not have to go into rent arrears on universal credit if he or she takes that payment on that day.

Eilidh Mclvor: Technically not, I suppose, but—

Jeremy Balfour: No, no, hang on—

The Convener: Gently, Mr Balfour. You have to allow the witness an opportunity to answer.

Jeremy Balfour: But I just want to clarify—

The Convener: Mr Balfour, you have asked three different questions and Eilidh Mclvor has not had an opportunity to answer any of them. Could you maybe let the witness answer the questions? You can then come back in for that clarification.

Eilidh Mclvor: I was just going to add that the technical system seems to be designed in such a way that it could easily put a tenant into arrears,

especially as the deductions that the tenant has to bear to their future payments are much higher under universal credit. I appreciate that the percentage is to go down from 40 per cent of the standard allowance to 30 per cent in October, but the deduction level under housing benefit was 5 per cent or something like that. The difference is quite big, and that situation is ultimately going to put tenants into hardship.

I think that the answer to the original question is that it is a bit of both. Some people will have historical arrears, some will have new arrears and some will have a combination, and that might be compounded by people's decisions to take or not take an advance, which they then have to repay.

The Convener: You can now follow up on that, Mr Balfour.

Jeremy Balfour: I just think that when we are talking about this, it is important to note that people are making individual choices. It is like the choice of whether to have money paid directly to the landlord. Choices are built into the system that individuals can make or not make.

Mike Dailly: Often, the choice that is being created through universal credit is illusory. In my experience, the people that Eilidh Mclvor is talking about are very often not in the private rented sector through choice. They may have been evicted from the social rented sector, suffered a relationship breakdown or otherwise been unable to get into the social rented sector. They are not there by choice, and we also need to consider Alison Johnstone's point that only 5 per cent of the market in the Lothians is accessible to such people.

I will give a quick example. I could spend £650 a month and get an absolutely luxury flat in the west end of Glasgow, but if I am in receipt of universal credit and benefits, even though it is unlawful for me to be discriminated against, I ain't gonna get that. What I am going to get is a grotty two-bedroom flat for that.

The choice is illusory. I think that the UK Government—this all goes back to Iain Duncan Smith—had the idea that it would put all that responsibility on to the claimant, and that that was a wonderful and beautiful thing. All I am saying is that the reality of the clients that I work with is that, if they have experienced relationship breakdown, are struggling, are trying to cope with children and are in the private rented sector, having all that extra responsibility in the system is not actually a helpful thing.

The Convener: The committee will need to wrestle with the arguments in that debate and to think about the choices and the balance to be struck.

Jeremy Balfour: I have a second issue to raise.

The Convener: You had to wait a long time to ask your questions, so I apologise, but I am asking you to be brief.

Jeremy Balfour: I hope that there will be a bit more consensus on this issue. One of the things that has concerned me about the new system is the mandate for the vulnerable individuals whom we are talking about. The Scottish Government has raised the issue, and the DWP started to review it in January this year. Perhaps the witnesses could clarify this, but my understanding is that, every two weeks, individuals need to go back and sign the mandate again, which seems slightly illogical. Is that the case? If so, should the mandate last for a much longer period than two weeks?

Mike Dailly: I think that Mr Balfour is referring to an issue that, from the DWP's perspective, is tied up with the general data protection regulations and the Data Protection Act 2018. There is an issue in the way in which the DWP stores people's data, which might include medical information. I am not paid to defend the DWP, but—

Michelle Ballantyne: Go ahead.

Mike Dailly: To be fair to the DWP, it would say that, if it gives a third party access to someone's data, it is obligated to ensure that that person has consented. I can see where the DWP is coming from, but I agree with Jeremy Balfour that the result has been an overly bureaucratic system. There are easier, more streamlined ways of getting consent, without the need for people to keep renewing the mandate. The DWP should be able to fix that issue without needing to use the shield of data protection, which many people often use to thwart engagement with a third party.

Aoife Deery: Mr Dailly has summed up the situation really well. Quite rightly, there are issues with data protection in the handling of sensitive information, but we are concerned that difficulties in getting consent have led to delays and issues with a person's claim, which have caused them difficulties. We have experience of that.

Eilidh Mclvor: As well as delaying the process, difficulties in getting consent could cause additional distress for the claimant, particularly if they are vulnerable, which could be for a wide range of reasons. We all want to avoid such a situation.

The Convener: Two members want to ask supplementaries. Because of time constraints, I will allow them both to ask their questions before we go back to the witnesses for a response. Is your question on this issue, deputy convener?

Pauline McNeill: No—it is on a completely separate issue.

The Convener: Okay. I will let Michelle Ballantyne in.

Michelle Ballantyne: Can the witnesses confirm that a client can give permission by phone, in person or by putting a note on their journal? Those are three pretty simple options, so what is the bureaucratic difficulty in granting permission so that people are able to talk to the DWP?

Eilidh Mclvor: From what I understand, the difficulty relates to the specificity of the information that the claimant needs to give. They need to explain exactly what information they want to be disclosed and for what purposes. The system is issue specific, so each issue that needs to be dealt with needs a separate line of explicit consent. Claimants also need to give details of the person to whom they want to disclose the information—the branch that they work in and so on.

In theory, it might be easy enough for someone such as you or me to add something to a journal to say that we give permission for someone to receive some information. However, if an issue is complex and starts growing arms and legs when it is opened up, as is often the case, that can be difficult and time consuming for the claimant. It can also be distressing, particularly if the claimant is struggling, for whatever reason, to access their online journal or to make phone calls. Even asking someone to go to the jobcentre every time they need to give permission can be quite a big ask for some people.

10:15

The Convener: Did you want to add anything, Mike?

Mike Dailly: Looking at the analysis of the written submissions to the committee, I think that, overall, communication with the DWP on these issues is poor. It is another of these operational realities; as Mr Balfour has said, we have created a system that actually impedes the interests of landlords and claimants, and I think that sorting out its systems would be an easy fix for the DWP.

The Convener: Did you want to comment, Aoife?

Aoife Deery: No, convener.

Pauline McNeill: I am interested in the question of how social security and housing issues affect single people. I have always suspected that single males, in particular, might be a high-profile group in that respect, but if you can offer the committee any information on that, it will be really useful.

Eilidh Mclvor: On the gendered aspect of this issue, I would point out that single women are disproportionately represented in the private

rented sector. Moreover, the gender pay gap compounds the problem of the gap between LHA rates and actual rents.

Aoife Deery: On a related point, we have worked with separated parents who are now single but have shared custody of their children. If the parent is a single male under 35 and is not the recipient of the child benefit, he will get only the shared accommodation rate, despite his obligations to his children and the fact that he will no doubt want them to come for overnight visits. As we have discussed, single men cannot really access temporary furnished flats and, most of the time, are in bed and breakfasts and hostels, which do not have visiting policies. When they have a flat by themselves, they can access only the shared accommodation rate, which makes it difficult for them to procure the space to facilitate visits from children.

The Convener: Mr Dailly, I feel like saying that you should add something only if you feel that you really need to, but I think that I know what you will say to that.

Mike Dailly: No, convener, I am very happy with my colleagues' contributions.

The Convener: It is only because of time constraints. Do you want to follow up on any of that, deputy convener?

Pauline McNeill: That was an interesting answer. I acknowledge that there is a gendered dimension with regard to women, depending on the issue, but I suspect that there are much deeper issues affecting single men. The point about separated parents was interesting; it is an issue for another day, but I presume that the courts might take a view on access to children if a parent's accommodation was seen as not suitable.

The Convener: I thank Pauline McNeill for raising this really important issue, because I have constituency cases about access to suitably sized or affordable accommodation for fathers who want to have a positive relationship with their ex-partners and children. Unless they have entered a legal co-parenting arrangement, that sort of thing is not always reflected, and they do not always get what they wish.

Time is upon us, but there were two other themes that we wanted to discuss and which I am just going to put on the record. Perhaps the witnesses could drop the committee a note with some thoughts on them, or perhaps they could be picked up by the next panel.

First, can we use the social security system in a better way to get the private rented sector to take on more responsibility? There could, perhaps, be partnerships with some of its good providers. Those in the sector have told us that they are up

for that sort of approach if they get a long-term commitment and secure financial support, and it would be interesting to hear your views on that.

Secondly, there is the issue of tenancy deposit schemes in local authority areas, which Michelle Ballantyne and I have previously discussed. My experience in Glasgow is that they can be quite good; I think that Ypeople operates the scheme in that city, but the funds at its disposal mean that the vast majority of private rented accommodation is ruled out. Who would fund these kinds of schemes? Can we think more imaginatively about how they might be funded through the social security system, whether at local authority, Scottish Government or UK Government level? I just wonder whether we can be more innovative about this, and we were certainly interested in tenancy deposit schemes in relation to the private rented sector. Does that reflect some of the discussions that we were having before the meeting, Michelle?

Michelle Ballantyne: Yes.

The Convener: I just wanted to get that on the record.

I thank all three of our witnesses for their evidence. Please follow the inquiry, and if you wish to send us any additional information, do not hesitate to get in contact.

I suspend the meeting briefly so that we can get our next panel in place.

10:20

Meeting suspended.

10:22

On resuming—

The Convener: Welcome back, everyone. We are still on agenda item 2, which is on social security support for housing. Our second panel comprises John Rafferty, who is the visiting support group head of the Bethany Christian Trust; Gary Neil, who is the operations manager at Rock Trust; and Rob Gowans, who is a policy officer at Citizens Advice Scotland. I thank all three of you for supporting our inquiry work and for sitting through a substantial amount of our first evidence session, which we really appreciate.

We move straight to questions—

Jeremy Balfour: First, convener, can I declare an interest for the record? I should have said at the start of the meeting that I am a director of the Bethany Christian Trust.

The Convener: You have now done that—thank you for putting that on the record.

Jeremy Balfour: My apologies for not doing that earlier.

The Convener: Alasdair Allan has the first question.

Dr Allan: I am interested to hear this panel's perspective on an issue that I raised with the previous panel. I am sure that you heard it being discussed. What changes to the pattern of rent arrears are your organisations noticing?

Rob Gowans (Citizens Advice Scotland): Over the past year, we have been looking closely at the rent arrears issue. Since 2012, although the advice that we provide on debt issues as a whole has decreased, particularly on consumer debt, the advice that we provide on rent arrears has increased by about 40 per cent. We have looked into the causes of rent arrears, including whether it is a benefits-related issue or to do with a loss of income or unexpected costs. The situation closely correlates to the introduction of welfare reform in 2012-13 and universal credit in the past 18 months. It is of particular concern in relation to people being able to get out of debt. Most often, people will either borrow from family, friends or credit cards, which is not a sustainable solution, or they will cut down on essential living costs, such as food and heating, which is not a long-term solution either. Rent arrears has certainly been one of our fastest-growing issues in citizens advice bureaux.

John Rafferty (Bethany Christian Trust): We are definitely seeing an increase in rent arrears and in people defaulting on rent. That is down to the fact that people are having to make choices about what to spend their money on—heating, lighting, rent or food. Year on year, the poverty gap is increasing. People who are on benefits are falling deeper into poverty, so they are having to make systemic choices. Unfortunately, in some cases, that means that they default on their rent.

Gary Neil (Rock Trust): We work with young people—that is our client group—so we have not encountered a lot of people in rent arrears. However, I certainly know about one young man whom we support through our rent deposit scheme. The situation that he faced is perhaps to do with universal credit and the difficulties in claiming housing benefit retrospectively or getting help with past housing costs. The young man works in construction, so he is essentially self-employed. When he was ill, he did not earn any income and he fell into arrears. No benefit was available to pay off his arrears; there was no help that he could access. That seems to be a new thing. I understand that, in the old legacy benefits, including housing benefit, there was an opportunity to make a historical claim. Perhaps Rob Gowans could clarify whether that is correct.

Rob Gowans: I think that that is probably not the case—I would need to double-check the specific case. We are seeing people with debts of thousands and thousands of pounds. If they are not in receipt of a benefit, those historical arrears can be difficult to pay off. As was alluded to by the first panel, it is possible for landlords to apply to have that deducted from a benefits claim. That can be at a very high rate—it is up to 40 per cent for all sorts of debts—which can lead to difficulties in clearing rent arrears.

The Convener: I thank Gary Neil for putting that issue on the record; it is one that the committee needs more clarity on so we will check it out further.

Dr Allan: The committee is interested in whether there is any connection between the difficult choices that people are having to make in relation to food and heating and the delay in receiving the initial payments of certain benefits. We want to get to the heart of the matter. You will have heard us describing the situations that people face when benefits are paid in arrears and the implications of that for housing costs—you will be more than familiar with that from your own work. Is there anything that you can say—either anecdotally or based on evidence—about what impact the changes have had on your work?

The Convener: Do not be shy, gentlemen—just make it clear to me when you want to speak. I call John Rafferty.

John Rafferty: In Bethany, we deliver housing first services in Edinburgh. We are seeing a dramatic rise in arrears and stuff like that. We are working with people with the most complex needs and the most chaotic lifestyles.

Those people have to interact with the benefits system and universal credit is very problematic, as it causes delays in receipts of benefits and housing costs. We see an increased demand for services and support, and more delays in costs being paid to landlords. As the first panel talked about, direct payments are only made from the second assessment period onwards, which exacerbates those delays.

10:30

When those people with extremely chaotic lifestyles get their first benefit receipt and have to choose what to do with it, that choice might be between paying their rent or paying off an existing drug debt. Do they pay their landlord—who, if they do not pay, might evict them, although that would be further down the road—or their dealer, who might break their arm or whatever in the immediate future? That is the kind of case that we are dealing with right now, and those are the stark

choices that people are making, which are costly to their health.

Gary Neil: Due to the lengthy wait for people's first payments to come through—if they have not taken the option to have an advance payment— young people are coming to us regularly to access food banks, to get free toiletries or to get advice on where else they can go for free services that otherwise they would be expected to pay for. There is no doubt that that is happening more often since the introduction of universal credit.

On housing, we also see people accessing the welfare fund more often out of desperation; they come to us to access crisis grants. That is beginning to have a noticeable impact on the awards for furnishing their accommodation that the young people we support receive when they move on to their own accommodation. I suspect that there is a link there.

Rob Gowans: We see a similar picture. People are going without in order to pay the rent or manage their arrears, whether that is not putting on the heating, going without food or, if they have kids, making sure that the kids are fed but cutting down on food themselves. We see possession action by landlords and the threat of eviction, and people needing support from advice services, as well as the Scottish welfare fund and food banks.

Dr Allan: The system of advances came up with the previous panel and it has been mentioned again. Is there a high level of awareness among the people you deal with—the service users, who are the people who might benefit from it—of the existence of that system of advances? Does it work, even if they do not access it?

John Rafferty: There is an awareness, because the people we work with have the support to make claims and our staff are aware of the advances. However, people have a choice between an immediate hit of five weeks without benefits or a hit of 12 months of reduced benefits. People are choosing to take the initial five-week hit, rather than sustaining a year of reduced benefits. That is what we are seeing.

Gary Neil: Young people can be quite impulsive and, because they are young, their decision making can sometimes be flawed, as we might see it. Their brains are still developing. There is also a wealth of evidence to suggest that when people are in poverty and financial difficulty, there is a physiological change to the brain, which affects decision making.

Although it can seem appealing to get money in advance, that is often not the best thing for people. Obviously, we encourage young people to make the choice that they believe is right for them. However, we see it as a potential issue given that those advance payments have to be repaid from

benefits that keep people on the breadline when they are paid in full. If 30 per cent comes out of their benefit payments, a young person will be left to go without food or without heating or electricity in their home. They will definitely have difficult choices to make if they have to make repayments.

The Convener: Last time we discussed the topic, it developed into a conversation about alternative payment arrangements and direct payments to landlords versus Scottish choices. I will bring in Mr Griffin to explore the point further, but the crux of the debate seemed to be whether the choice should be to opt out of the payment going direct to the landlord, or to opt into it. It was about whether, on balance, opting out would be desirable because, although not everyone is vulnerable and in need of that level of protection, it is difficult to identify who could be vulnerable. It might be helpful to get on the record some views on whether opting out of direct-to-landlord payments would be beneficial. I am conscious that we have time constraints this morning and I want to get all the evidence on the record.

John Rafferty: From Bethany's point of view, a default of the choice to opt out would be the preferred approach. We talk about choice, and that would still give people choice.

Gary Neil: I entirely agree with what John Rafferty said.

Rob Gowans: We would still favour the Scottish choices being given as a choice of whether to have direct payments to landlords or payments to people themselves. If the alternative payment arrangements work correctly, they should help people who might have addictions or debt—I guess the choice is taken away. Work still needs to be done to promote awareness of Scottish choices and what they mean in practice, and also to sort out some of the issues in relation to how payments are made to landlords. However, we support people being given a choice as to whether they receive the housing payment or their landlord receives it directly.

The Convener: Should there be an opt-in or an opt-out, though? I think that that is what we are really asking, as a committee.

Rob Gowans: Basically, we favour people being given a choice, rather than there being a default either way.

The Convener: At present, it is an opt-in. People get Scottish choices only if they opt in. By default, the money goes direct to the person, so the current default is an opt-in. Alternatively, the money could go straight to the landlord and people could have a choice to opt out of that. Do you favour the status quo or an opt-out? That is what the committee is keen to know.

Rob Gowans: It would be the status quo for us.

The Convener: Okay—thank you.

Mr Griffin, I apologise for exploring your line of questioning. Do you want to take us forward on that?

Mark Griffin: It has been helpful to hear those comments. I will ask a question that I also put to the previous panel. Should work be undertaken on Scottish choices to ensure that payments can be made direct to landlords from the first payment? At present, payments can be made direct to the landlord only from the second payment.

John Rafferty: I definitely agree that it would be a great stride forward for direct payments to be made to the landlord from the first assessment period. At present, direct payments can be made only from the second assessment period onwards. People are making poor choices as to where they are spending their money, and paying their rent is not always the first choice or the first option for them. Changing to a situation where direct payments can be made from the first assessment period onwards is definitely the preferred option for us.

Gary Neil: I agree. Direct payments from the first assessment period would make it that little bit easier for homeless people to get into the private rented sector, which is a real challenge at present. Even if we take the payments out of the equation, there are many barriers that homeless people need to overcome to get into the private rented sector, and that is one thing that could be done quite easily to help.

Rob Gowans: We see particular issues around the first month's rent, so that would be helpful.

Mark Griffin: What is your experience of how the non-bedroom tax element of discretionary housing payments is operating? Is it supporting people whom you have come into contact with or represented?

John Rafferty: The only interaction that we at Bethany have with DHPs is when tenants in our supported accommodations default or are sanctioned on their universal credit. The DHP kicks in at that point to pay their housing costs for the period when they are sanctioned.

Gary Neil: As I said, Rock Trust operates a rent deposit scheme. One thing that strikes me as being a bit unhelpful is that discretionary housing payments are available only to people who are already in receipt of housing benefit, yet many of the people who approach us for help to get into private rented accommodation are not in receipt of any benefits, which cuts off the option for help with a rent deposit. If there was an opportunity for people to access discretionary housing payments before they start to receive help with housing

costs, that would be a great help for homeless people to enter the private rented sector.

Rob Gowans: On the whole, the discretionary housing payments scheme works well, although how it is prioritised, how long the awards are made for and how much is spent throughout the year can vary from area to area. We hear from CAB advisers that some local authorities are very willing to help with issues to do with the local housing allowance, which we heard about from the first panel, whereas in other local authority areas it can be very difficult to get those payments.

The situation with the benefit cap and universal credit issues other than the bedroom tax can vary across the country. We would support a review of the guidance, particularly in relation to which areas should be prioritised for discretionary and long-term payments, and indeed the areas that are not discretionary, which Shelter Scotland talked about, such as the bedroom tax.

Mark Griffin: Thank you for that. Mr Gowans, we have heard anecdotal evidence on the variance in the generosity of local authorities throughout the country when it comes to DHP schemes. Can you provide some written evidence to the committee with any hard data on that?

Rob Gowans: Yes. I am happy to do that.

10:45

Alison Johnstone: I have a couple of questions on the benefit cap and exemptions. People can be exempt from the benefit cap if they claim certain social security payments, and those include several of the payments that are being devolved to this Parliament, but they often have quite low take-up rates. People who are facing the benefit cap may well be entitled to an exemption, but they may not know that. Also, some of the benefits are complicated to apply for. Is there scope to help people to escape the cap by ensuring that they have assistance to apply for a payment that provides an exemption?

Rob Gowans: That would be very helpful. It is certainly something that citizens advice bureaux do, as a huge part of our work involves helping people to find out what they are entitled to and to claim it. An example of the things that affect the benefit cap are disability benefits, and we believe that the changes need to go further. The majority of people who are affected by the benefit cap are lone parents with three or more children, and it can be very difficult for them to move into work or into different accommodation.

The Work and Pensions Committee recently held an inquiry into the matter and it found that 82 per cent of people who are affected by the benefit cap are not expected by the social security system

to look for work. The benefits that they are claiming are things such as income support or the equivalent under universal credit, because they have young children to take care of or are unable to work due to ill health. We urge that everything is done to ensure that people take up all the benefits that they are entitled to, but also that the benefit cap is reviewed, because it affects a lot of people who probably should not be affected by it.

John Rafferty: I have nothing to add. We do not have a lot of interaction with that.

The Convener: You should not feel that you all have to answer every question. Just come in when you wish.

Alison Johnstone: I think that we could do more to raise awareness of benefits that people may be entitled to. We know that billions of pounds of benefits are unclaimed every year. What can the Parliament and the Scottish Government do to increase take-up more generally?

Rob Gowans: It is about support for the independent advice sector. The Scottish Government has set up its own schemes, and we are partnering on the one on financial health checks. More widely, I note that reducing stigma is important. We need to change the way that we talk about social security so that it is not seen as a shameful thing or as something that is complicated. Awareness needs to be raised that it is not just for unemployed people or “scroungers” but that it exists to support people in a range of situations when they need it.

John Rafferty: With the reductions in their budgets, a lot of local authorities are choosing to close down their advice shops. In West Lothian, we had an advice shop that people could go to in order to get advice on maximising their income and stuff like that, but it has now closed because of the budget cuts, and I believe that other local authorities are doing the same thing. People have limited choices on where to go to for advice. There are advice services—for example, the City of Edinburgh Council delivers advice services—but there is a waiting list for people to get on to them. We are limiting the choices for people to get the advice that they need.

The Convener: I want to check something before we move on, because I am quite worried by Mr Rafferty’s point about advice services. I wonder whether the picture is mixed across the country. For example, in Glasgow, the local authority has a network of advisers in libraries, who are there more often than not and who advise on universal credit, and I know that Citizens Advice Scotland provides an awful lot of advice. Is the availability of support inconsistent across the country? I am by

no means saying that Glasgow is perfect; it is just that I happen to be aware of the situation there.

John Rafferty: I am not aware of the situation Scotland-wide; I am just aware of the situation in the areas where I have responsibility. West Lothian is one of those areas, and I know that the advice shop has closed. There are advice facilities but, as I said, only so many staff work in those services and people have to go on a waiting list before they get anywhere near them.

The Convener: That is absolutely an issue for West Lothian, and it is helpful to hear that, but the committee has to work out whether that is happening consistently across the country.

Jeremy Balfour: My question is for the Rock Trust and Bethany Christian Trust. One of the advantages of those organisations is that they provide wraparound support to vulnerable individuals. I do not want to go too far off beam, because the convener will pull me back, and obviously we are looking at private tenancies, but is there a better way that the social security system could help you? Rather than just paying the rent, could the system help you in providing wraparound support to ensure that individuals stay in their tenancies? Do you get support from the social security system for that? If not, what would help in regard to the service that you provide?

John Rafferty: All of Bethany’s work is done as a social landlord. Our accommodation is all supported and our wraparound support is provided through contracts from local authorities. Social security pays for the housing benefit aspect—the rent—but the wraparound support is provided through contracts from local authorities. Across our organisation, services are being blocked because of the lack of mainstream move-on options and affordability issues for our service users in moving into the private rented sector because of things such as the LHA issues and the shared room rate for under-35s. As a result, people who we work with are staying in temporary supported accommodation for a lot longer than they were previously, because they have no suitable move-on options.

Jeremy Balfour: Just to be clear, would it be helpful for you to be able to give that support in the private rented sector?

John Rafferty: Yes.

Jeremy Balfour: Would that be done through contracts with councils?

John Rafferty: Yes.

The Convener: That is a helpful line of questioning. Mr Rafferty mentioned the housing first approach. The UK social security system, the Scottish social security system, local authorities and others invest a significant amount of money,

over say five, 10 or 15 years, in some of the most vulnerable individuals with complex needs and the question is whether there is a better way of investing that money. That is what the housing first approach is all about. Could the social security system support that approach more intensively and in a speedier way? That might benefit the public purse in the medium term as well as meeting the core needs of people who deserve our support. Could layers of the social security system do more and, if so, how?

Gary Neil: I will speak about young people, the shared room rate and the local housing allowance.

We come across many young, homeless people who are in temporary accommodation—that is mainly bed-and-breakfast accommodation. This week, I met a young man who had been in bed-and-breakfast accommodation for three years. That is unusual, but there are many young people in temporary accommodation who receive vast sums of money for housing benefit and who could very easily afford and manage to live in a private rented flat if the local housing allowance was not capped at £68 a week. However, it is capped at £68 a week, and £68 a week will not go anywhere close to covering the rent even on shared accommodation.

Our research suggests that shared accommodation in Edinburgh costs from £400 up to even £500 a month. That is outwith the means of most of the young people who approach us for support to get away from temporary accommodation. They are quite happy with the idea of having a private rented flat. Historically, we have found that a lot of young people whom we have worked with have been willing to hold out until they could get social housing, but that is much less the case now. People are open to the idea of being in the private rented sector, but that is simply closed off for most young people, and it is closed off for all young people who rely on benefits to cover their housing costs.

Rob Gowans: We agree with those points. If a person does not have anywhere affordable to move on to, that is not a good outcome. The social security system could do more about that. If a person is in temporary accommodation provided by the private sector, that is covered in full by social security support, but we would support ending the freeze on the local housing allowance—that was mentioned in the first panel session—and restoring its value so that it can take into account the housing market.

It is worth mentioning that there can be issues with “No DSS” adverts. A large number of private rented sector properties exclude housing benefit or universal credit claimants. There seem to be a number of reasons for that, but it can take all the affordable private rentals out of the market and it

appears to discriminate against people who receive social security support. We would like action to be taken on that.

The Convener: That is helpful. You have saved us time, because I saw Mr Neil and Mr Rafferty nodding their heads. There is a line of questions that we will not have to ask.

Pauline McNeill: My question is about Rob Gowans’s point on the unwillingness of landlords to take social security claimants. Have you seen evidence of that unwillingness increasing recently?

Rob Gowans: Anecdotally, it seems that an increasing number of landlords are reluctant or are refusing to rent to tenants who are in receipt of universal credit. That is partly because they have heard about some of the issues and are concerned about rents.

Last year, the Social Security Advisory Committee undertook some research on the shared accommodation rate. It searched through all the flat listings in Edinburgh and Glasgow, and in Edinburgh it found that there were about 570 lets, of which only four were affordable on that rate. However, none of those landlords would let to people who received housing benefit or universal credit, so in effect there were no options in the private rented sector that people could afford on the shared accommodation rate.

11:00

Pauline McNeill: You say in your submission that

“the Scottish Government should consider options, including legislation, to prevent landlords from excluding recipients of benefits when advertising lets.”

Could you speak about that?

Rob Gowans: There is a range of options that could be taken: it might be finding some way to incentivise landlords to take on people who receive universal credit or housing benefit and, ultimately, addressing some of the issues with universal credit that are causing delays in the housing payment; it might be work to reassure landlords and mortgage lenders; or we might want to go down the legislative route of preventing adverts that discriminate against people in receipt of housing benefit and social security. Social housing is unable to take everybody who might want a social housing place. The waiting lists across the country are at around 158,000, so there is not enough social housing for everybody who wants it and, therefore, there is a need for people to access the private rented sector to get a home. In those circumstances, there may be a case for taking action.

Pauline McNeill: Do the other witnesses have a different view?

Gary Neil: I agree with Rob Gowans. I am interested by the idea of incentivising landlords. We certainly come across a lot of landlords whose mortgage providers have stipulated that they cannot take people who are on benefits. Even if you legislated against the overt discrimination, such as the adverts saying “No DSS” that have been going on for as long as anyone can remember, a lot of stuff goes on that you probably could not legislate for. We see it all the time in working with young people. Young people and homeless people are seen as a risk, so I am interested in the idea of incentivising landlords and perhaps taking a lot of the risks away. That would certainly be something to look at.

John Rafferty: I agree. Landlords in the private rented sector are in that business to make money and homeless and vulnerable people are seen as a risk. Anything that we could do to mitigate that risk could only help to bring people round the table who are then willing to rent out to vulnerable groups. Addressing the LHA and enabling direct payments from assessment period 1—anything that has already been discussed—can mitigate the risks that landlords have to take on.

Michelle Ballantyne: Mr Neil, you used the expression “seen as a risk”, but earlier you said that some of your tenants and the people you work with “are” a risk. I know from my experience when I headed up a drug and alcohol unit that a lot of my tenants were a risk. You commented that they had been evicted from social housing and were having difficulty finding private rented accommodation.

Do we need to do something to provide more supportive housing that gives the kind of wraparound care that we have talked about with some of your organisations? I certainly found that my tenants needed huge input to maintain their tenancies. A lot of the people you are talking about are often vulnerable and sometimes unable to cope in the home on their own, not because of themselves but because of the people who come in and take advantage of them. Do you have any comments on that? Maintaining tenancies seems to be the big difficulty for many of these people.

Gary Neil: There will always be a place for supported tenancies and outreach support. A lot of the tenants we work with in our supported accommodation might have had failed tenancies in the past but, for every tenant we meet who has had such issues and needs to develop their skills, we meet probably two or three who would be able to live independently in a private rented tenancy. We often have to decline applications from homeless young people who are trying to access our supported accommodation because they do not need the support that we offer along with the accommodation. They just need accommodation.

I agree that there is a need for supported accommodation but there is also a significant number of the homeless population who could manage quite fine in their own tenancy if the financial barrier was removed.

Michelle Ballantyne: I will ask some of the questions about deposits that I was going to ask earlier because they will fit neatly into this.

One of the big issues with getting into private rented accommodation is the initial outlay. From some of the evidence that we have taken, we know that it is not just about having a month’s deposit or being able to pay in advance. We also have the on-going problem that all benefits, not just UC, are paid in arrears, which has always made it difficult for private tenancies.

We know that local authorities have a scheme to give help with deposits. What is your experience of people being able to access help with deposits, and particularly whether the levels of deposits are commensurate with the market?

Gary Neil: Rock Trust operates a rent deposit scheme and we can offer a paper bond rather than an actual cash deposit. There are enough landlords out there who are willing to work with us on that.

One of the main stumbling blocks that we are finding now that the scheme has been established for a couple of years is that the idea is that young people will gradually save for a deposit that they can then lodge with a landlord. Young people are finding it extremely difficult to save for that deposit. We have young people who have been working with us in excess of 12 months and one young person out of 14 has actually saved a full deposit. The rest are saving for their deposits, but it is taking in excess of 12 months. If someone could just pay that cash deposit, it would help the young people and landlords would be much more willing to take people on if they had a cash deposit. We still encounter a lot of landlords who will not consider a paper bond.

John Rafferty: As a social landlord, we have just taken the decision to do away with deposits in our supported flats. We have done that with a view to offering our tenants as they come in the opportunity to put the deposit that they would have used for one of our flats into saving for a flat further down the road. We will work with our tenants to help them to build a deposit for when they attain a suitable move-on option.

We have not interacted with the rent deposit schemes and all that sort of stuff. It is not an area that I can talk about. However, as an accommodation provider, we have decided to do away with taking deposits and to offer tenants the opportunity to save for a deposit for further down the line.

Rob Gowans: I do not have a great deal to add. On the social security side of things, discretionary housing payments could be used to cover that sort of thing, as indeed has happened in some cases. As we have heard, that budget has a lot of pressures and priorities on it, but I am happy to go away and look through our data to see what might be going on in that respect.

The Convener: If you have finished, Michelle, I just want to ask a supplementary.

Michelle Ballantyne: I was trying to keep things tight, convener, because I am aware of the time.

The Convener: We will have to close the session soon, but I think that you have hit on a crucial point. The landlord does not lose any money, because the legislation says that the money has to go into the tenancy deposit scheme anyway. In effect, the scheme underwrites things or acts as guarantor; should something go wrong after the tenant moves in, it would not be the landlord who would be out of pocket, but one of the three tenancy deposit schemes in Scotland. As the Scottish Government would control all that, a person, once they are in their tenancy, could have six or nine months to pay their deposit directly into the deposit scheme. It seems that such a solution requires not money but a reorganisation of the current situation. Would that be achievable?

Gary Neil: It would certainly be an improvement on what we have just now. What you have suggested is essentially what we do with our rent deposit scheme, and if you opened that up to a wider homeless population, that would absolutely be welcomed.

The Convener: Without wishing to put words into their mouths, I am sure that the other witnesses would support that, too.

John Rafferty: Yes.

Rob Gowans: Yes.

The Convener: Time is almost upon us, but I am conscious that we have not raised a number of matters. I can give any member who wishes to ask another question the opportunity to do so, but I see that no one does.

I ask the witnesses to write to us about the cost of temporary furnished accommodation, if they have any comments on that. Irrespective of whether funding comes from local authorities, the Scottish Government or the UK Government, there can be a lot of money trapped in the system, and those who are most vulnerable and on benefits are being offered accommodation that is sometimes—though not always—of poor quality, but which is certainly much more expensive than that in the private rented sector. A lot of the working poor cannot afford to take it and, instead, are sofa surfing or are staying with family or friends. As I

said, there seems to be a lot of money trapped inside the system, and we would welcome your thoughts on how we might release some of that to be able to innovate. Unfortunately, we cannot hear your thoughts just now, but please have a think about the matter.

If there are no other comments, I thank our witnesses for coming along and giving evidence. If you have anything that you wish to say, and not just about the points that I have just raised, please contact the committee.

Benefit Automation

11:13

The Convener: We move straight on to agenda item 3, which is on benefit automation.

Because of time constraints and the fact that we have to discuss something in private under agenda item 4, I suggest that we put off what would have been our public discussion of the letter from Inverclyde Council about its issues with benefit automation and data sharing with the DWP. Given the issue's importance, we should give ourselves a bit of time for that discussion. I am therefore minded to make it one of the first items in next week's agenda, rather than one of the last, to ensure that it does not fall off the end of the meeting as a result of time constraints. I apologise to Inverclyde Council for delaying our discussion slightly. Do members agree with that approach?

Members *indicated agreement.*

The Convener: We now move to agenda item 4, which is consideration of the evidence that we have received this morning on social security support for housing. We have previously agreed to take this item in private.

11:14

Meeting continued in private until 11:34.

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