

Cross Party Group on Housing

Wednesday 17th April 2013, 6pm
Q103, Scottish Parliament, Holyrood

Minutes

Present:

Margaret McDougall MSP
Gordon MacDonald MSP
Elaine Murray MSP
Margaret McCulloch MSP
Rebecca Johnston, SAL
David Bookbinder, CIH
David Stewart, SFHA
Susan Torrance, SFHA
Lynda Johnstone, TIS
Neil Simpson, Consumer Focus
Wayne Mackay, Electrical Safety Council
Hew Edgar, RICS
Paul Laidlaw, Tenant Information Service
David Ogilvie, SFHA
Tristan Compton, National Landlord Association
Gavin Dick, National Landlord Association

In attendance:

Claire Gibson, Streetwork
Ann Landels, Crisis
Neil Guy, Crisis
Michael McClements, COSLA
Anil Gupta, COSLA
Eva Gibbons, Scottish Parliament
Leslie Morrison, United Reform Church

1. Welcome and apologies.

Apologies were received from:

Maureen Watt MSP
Rhoda Grant MSP
Anne McTaggart MSP
John Blackwood, SAL
Sarah-Jane Laing, Scottish Land and Estates
Debbie King, Shelter
Malcolm Cannon, SSPC

2. Minutes of previous meeting.

Minutes were approved

3. Main Item: Welfare reform

Tristan Compton, National Association of Landlords led the discussion with a presentation on how to mitigate the impact of welfare reform in Scotland

David Bookbinder, Chartered Institute of Housing, followed with a presentation on pressures such as bedroom tax, direct payments and room-rate for under-35s and ongoing work by the CIH to identify triggers that will result in direct payment.

Michael McClements, COSLA, ended with a presentation which covered direct payments, UK Government's interest in working with local authorities in terms of face-to-face support and the impact on revenues, rents, rent arrears and the wider housing supply.

The presentations were followed by an open discussion amongst attendees.

Q Margaret MacDougall MSP: As an association are you going to set up an advisory service for tenants?

Tristan Compton, NLA – We are primarily a landlord organisation. We advise landlords to work with their tenants in the first instance which generally work out better for landlords, fewer voids. Not our remit to set up a dedicated line for tenants.

Gavin Dick, NLA – we are working with local authorities and setting up a credit union in West Midlands. One thing is to recommend matching up the rent due date with the UC received dates. Credit unions will pay the rent first, rather than money be absorbed by overdraft. Councils should invest some money in arbitrating between landlords and tenants, to negotiate lower rents. Landlords will prefer lower rent than no rent.

Q: Paul Laidlaw, TIS .TIS has done some work with getting information to private tenants. One aim of UC was to drive rents down. Is there any sign of this happening?

Gavin Dick, NLA: No, but they may flatline. Talk of regionalisation may put a bigger burden on rent.

Tristan Compton, NLA: Fewer landlords are entering the sector and landlords can choose their tenants.

Q: Gordon MacDonald MSP – what proportion of PRS tenants are in receipt of housing benefit?

Gavin Dick, NLA – 32/33%. Some landlords build their business model around LHA.

Q: Gordon MacDonald MSP – isn't it in private landlords' interest to reduce rent rather than evict?

Tristan Compton, NLA – more often than not the tenant will move on anyway. So number of tenancies that go to the extreme of court is low, but that may increase.

Q: Gordon MacDonald MSP – how much higher are private rents?

Gavin Dick, NLA – not comparing like for like and only 30% of properties are affordable to LHA tenants.

David Ogilvie offered some statistics from their briefing. Concern that tenants driven out of social sector get driven into HMOs and the quality of the tenant experience is a major concern.

Gavin Dick, NLA – no one's disputing that there is a housing shortage and cost will go up.

Gordon MacDonald MSP – profit margins are going up too.

Gavin Dick, NLA – most landlords' profit margins is less than 10%. They have maintenance, cleaning, and there is a challenge of them being able to maintain their properties with lower rents.

Q: Elaine Murray MSP – bedroom tax came in to the social sector in 2008 yet no concerns back them. What are the concerns with the private rented sector? Has it been easier in the private rented sector?

Gavin Dick, NLA: PRS – was easier for them to move anyway. There are longer tenancies in social sector, thought of as a tenancy for life.

Alistair Cameron, Scottish Churches Housing Action: non-dependent deductions is a very complicated system – if you have an adult living in the property, and an extra bedroom, you will be affected by deductions twice.

Tristan Compton, NLA – affects smaller portion of people. Also haven't talked about council tax.

David Ogilvie, SFHA: taking in a lodger could see people as worse off, and difficult to have a no- eviction policy for bedroom tax, but not give same allowance for difficulties arising from non-dependent deductions.

Ultimate sanction of eviction has to be there otherwise it could all collapse.

SFHA statement on arrears will be circulated to members and MSPs (David Ogilvie).

Neil, Crisis – concern that HMOs is not the solution, but maybe 2 bedrooms with 2 sharers.

Michael McClements, COSLA, used to make sense that 2 bedroom flats in hard to let properties were used for homeless people, but there have been significant improvement in homelessness and it is concerning that these efforts may be undermined with these measures.

Tristan Compton, NLA: Negotiating individual contracts for a 2 bedroom flat has increased overheads. It is more standard to have a joint and several agreement. Would advise that tenants present themselves as a group of tenants, they will have more success than presenting themselves as a single seeking a room in a flat.

Local authorities can provide a rent deposit guarantee scheme to work with private landlords.

Paul Laidlaw, TIS – it is about getting information out to communities who know about at-risk groups in the communities who wouldn't reply to a letter. So focusing on tenant participation and getting to communities at the grass-roots level is key. Hardship funding from the national authorities is available for local authorities and tenant groups when working together. Supplying vouchers, for example.

Would like to bring attention to The David Hume institute's "Welfare to work or a welfare system that works? "Arguing for a citizens basic income in a new Scotland" – about replacing it with a citizens income where every individual can function.

Claire, Streetwork – we have a crisis centre. Last year 1500 people through our doors. We see a bottleneck of homelessness at the moment.

Q: Margaret MacDougall MSP – how does this affect pensioners?

David Bookbinder: when UC is here it may hit mixed-aged claimants for couples who are new claimants.

6. Cross Party Group Business.

At last meeting convener proposed moving to a lunchtime slot which had general consensus.

7. AOB.

8. Date of next meeting and close.

Tuesday 4th June 2013 12pm-1pm, Room TG20/21 – TIS, Impact on social return and investment.

TBC September 2013 – affordable housing supply programme. (Possible attendance of the Minister in September/December - Housing Bill)

Future dates:

Thursday 14th November 2013, 1pm-2.30pm - Q1.03

Thursday 13th February 2014, 1pm-2.30pm - Q1.03

Thursday 17th April 2014, 1pm-2.30pm - TG.20/21

Thursday 19th June 2014, 1pm-2.30pm - Q1.03 or TG.20/21