

# thinking

## The complexities of the impact of 'Bedroom Tax'

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At the recent Scottish Government/COSLA National Homelessness Event, attendees were reminded of the potential challenges posed by the forthcoming Housing Benefit Reform. Steve Treanor explores the potential impact of Housing Benefit Reform on landlords, families and communities.

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At the recent [Scottish Government/COSLA National Homelessness Event](#), I was interested to learn what progress had been made by local authorities and the Housing Options Hubs towards achieving the [2012 Homelessness Commitment](#), since our [evaluation](#) earlier this year. While the progress achieved called for optimism, attendees were reminded of the potential challenges posed by the forthcoming Housing Benefit Reform.

The central aspect of the reform is the introduction of a new size criterion which means that from April 2013 any working age household will have their housing benefit reduced if they live in social rented accommodation that is considered too large for their needs. The rationale is to improve work incentives, reduce reliance on benefits and encourage social landlords to use their housing stock efficiently.

The choice for those affected is either to make up the shortfall in their rent or move to a smaller property, potentially in a different local authority area. Affected households will be offered financial incentives to move, while those who stay may run the risk of not being able to afford their rent, falling into arrears and potentially losing their home.

However, in reality it is unlikely to be a straightforward choice. Analysis carried out by the [Scottish Government](#) suggests that moving all those affected into suitable accommodation simply isn't possible due to a mismatch between the sizes of property available

and required, particularly a severe lack of one-bedroom homes. This reflects a longstanding strategy of building larger properties to ensure the sustainability of households and communities.

Even among those for whom moving is an option, the decision to move is unlikely to be based purely on financial considerations. The interaction between people and their homes is complex. The properties in which we live are much more than simply a roof over our heads. There are emotional and social dimensions to the relationship and people may not willingly move from existing support networks such as friends, neighbours and family. Further, households may have good reasons for under-occupying their homes. For example, separated parents may have an additional room to accommodate overnight stays as part of the access arrangements of their child(ren). It won't be easy for social landlords to encourage those affected to move. Similarly, there is unlikely to be many households renting out a "spare" room.

Under-occupation has also been part of some landlords' letting policies, in order to:

- fill larger void properties which are in low demand (for example, [North Lanarkshire Council](#))
- place homeless households without having to incur the costs of placing them into temporary

or emergency accommodation (for example, [South Ayrshire Council](#))

- support wider objectives around health, crime and education. For example, the [SFHA's report on the impact of Welfare Reforms](#) noted that Hillhead Housing Association have an allocations policy which allows each child aged 14 years of the same sex a separate bedroom. This recognises that children of that age will be preparing for exams and will need space to study.

What impact, if any, will the removal of this degree of flexibility in lettings policies have on individual households, landlords and communities? Previous research has identified links between housing and [physical and mental health](#), [crime](#) and [education](#) but the exact impact of housing benefit changes on these areas is extremely difficult to predict and measure. Further, it is very much dependent on the current situation in which moving households find themselves. For example, having settled accommodation, close and supportive neighbours, friends, family, social interaction, social participation and engagement within local communities and the extent to which people are satisfied with their residential neighbourhood are all strong positive influences on mental wellbeing. All of these factors can take years to develop and the removal of some, if losing housing benefit forces them to move, may well result in lower levels of wellbeing.

There is a large degree of uncertainty around exactly how Housing Benefit Reform will impact on individual households, landlords and communities. [Scottish Government analysts](#) estimate that 95,000 households could be affected and although this analysis did not estimate the potential social impacts of changes, it acknowledged that “*The social costs of the policy in terms of the potential impact ... on health, crime and education outcomes may be significant*”.

Efforts are being made to mitigate the potential effects of the changes but the impact will only become known

following the introduction of the changes in 2013. Therefore, a clear strategy for monitoring and evaluating both the short and longer term impact of the changes will be needed.

While the UK Government will evaluate the changes (as well as the overall benefit cap and Direct Payments), the extent to which this will focus on the impact on landlords and affected tenants in Scotland will depend on the scope of the exercise. The Scottish Government and other organisations in Scotland, such as the SFHA, may want to carry out their own evaluation.

Tracking the full impact of the changes will need a longitudinal design with both primary survey and qualitative data collection from landlords and tenants and analysis of administrative data held by landlords. This will capture both the economic and social impacts. It will ensure that the breadth and depth of issues are captured and identify best practice in how landlords have tried to mitigate the effects.

*Capturing accurate baseline measures* of key indicators *before* the changes come into effect is crucial so that changes can be monitored. Our colleagues in England, in collaboration with Cambridge Centre for Housing and Planning Research, at the University of Cambridge, are currently collecting baseline data as part of a project to assess the [impact of Welfare Reform](#) on housing association tenants in England, on behalf of the National Housing Federation.

Following the introduction of the changes, the impacts should be then be tracked periodically over the course of two to three years. An exercise of this scale would provide a robust evaluation of the full impact of the changes.

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## Acknowledgements and copyright

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