



Glasgow and West of Scotland
Forum of Housing Associations

Keep it Local!

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Aileen Campbell MSP
Cabinet Secretary for Communities and Local Government
Scottish Government
St Andrews House
Edinburgh EH1 3DG

[By email]

24 March 2020

Dear Ms Campbell

Financial support for tenants and housing associations

On behalf of our 65 member associations may we first recognise and thank you and your Scottish Government colleagues for your efforts so far to tackle the impact of Coronavirus. In particular there are elements of the £350m package announced last week which could help some of our members – and their local third sector partners – with the wider support they provide as a community anchor body.

This letter relates more to the core activities of housing associations and, in particular, to the difficulties some tenants will have paying their rent and the subsequent loss of income members will face as they seek to protect people.

At this point our members are doing everything they can to maintain the best possible service levels for tenants. As well as housing and welfare rights staff being available to talk with tenants who have queries or worries, associations are focusing on efforts to ensure urgent and emergency repairs continue to be carried out, and other health and safety issues prioritised (for example, cleaning communal areas in closes to help stop the virus spreading). In some areas, such as Glasgow, where the Council has suspended uplift of bulk items, some members have told us they are trying to fill the gap by doing this with their own staff or contractors.

We know that evictions from arrears related to the Coronavirus crisis will not be progressed. Associations will continue to urge tenants to let them know if they are in difficulty and will work with tenants wherever possible to help them make claims, normally through Universal Credit with all the challenges this entails.

There will, however, be serious financial consequences for associations from both the cessation of evictions and, more significantly, the wider impact of the crisis. The build-up of arrears from not progressing evictions is only one aspect of a much greater impact on social landlords:

- A significant number of tenants who may have had no pre-existing arrears will face difficulty paying their rent because they are no longer earning or, for example, because of additional complexities with claiming Universal Credit.
- Many factored owners will face similar difficulties in paying their monthly fees
- Void properties will increasingly lie empty as landlords and contractors struggle to carry out routine works and visit prospective applicants, and power companies become unable to attend as normal

The UK welfare system must ensure people have enough money to live on, but we know not all our tenants will be able to pay their rent during this crisis, and so all our members are expecting major shortfalls in income over the coming months as they effectively support tenants financially by temporarily absorbing shortfalls of rent. So whilst the detail can be discussed at a later stage, at this point in time the sector very much needs an in-principle commitment from the Scottish Government to explore a mechanism for compensating social landlords for income which is lost as a result of protecting tenants during the crisis and which cannot realistically be recovered.

We very much recognise the sensitivities around messaging on this issue. In particular we know it would not be appropriate to give any impression to tenants that rent does not still have to be paid. An in-principle commitment to explore a mechanism for providing financial support is not something the sector would wish to publicise, but it would be of great comfort at this stage. Without financial support it will be our tenants who will eventually foot the bill through their rent, and we trust that Ministers will agree this cannot be allowed to happen.

Yours sincerely



David Bookbinder
Director