

# Basic Income & Housing

*Exploring Basic Income in Scotland*

*Edited by Cleo Goodman and Mike Danson  
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## Exploring Basic Income in Scotland

Exploring Basic Income in Scotland is a cross-disciplinary project, funded by Scottish Universities Insight Institute, that looked at the implications of a Basic Income for a variety of intersecting issues. The project was led by academics from the Heriot-Watt University, University of Edinburgh and Citizen's Basic Income Network Scotland (CBINS). It united policy makers, practitioners and academics to look at the intersection of a Basic Income with employment and entrepreneurship, housing, care and human rights and equality and the modelling, implementation and evaluation of the policy.



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## INTRODUCTION

Although housing is a basic need for all Citizens, it is often questioned whether a housing benefit element should be included in a Basic Income. This is due to the complexity of housing provision, whether social housing, private rental or homeownership. The cost of housing varies significantly across different geographic areas which makes it difficult to account for with a universal payment such as a Basic Income.

This part of the Exploring Basic Income in Scotland project set out to look at the interface between a Basic Income and housing costs. The following Background Paper, written by Paul Spicker, looks at UBI, affordable housing and housing support. The paper was used as the foundation of a workshop that brought together policymakers, academics and practitioners with relevant insight, the outputs of the facilitated discussion are outlined in the Workshop Report.

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# Background Paper: UBI, affordable housing and housing support

by Paul Spicker

## 1 AFFORDABLE HOUSING

Whether housing is affordable depends partly on people's income or resources, and partly on price; and the price of housing depends on a combination of the housing market and the systems of finance which support it. Housing markets are complex. Most of the housing in the UK is still owner-occupied, and a major part of owner-occupation is paid for by borrowing. In the 1990s, mortgages were still being subsidised by government, and low-income owner occupation became widespread; the situation has become much more constrained, primarily as a result of the economic crash in 2007/08. The combination of high capital values and restricted finance for mortgages have made it difficult for households even with two moderate incomes to purchase. Basic Income may have some role in low-income owner-occupation, because the presence of a stable, predictable income would normally be taken into account in determining the level of a mortgage that a purchaser is able to repay. This would also affect the economic demand for housing, and the gains in income may be cancelled out by rising housing prices or rents.

The market for private renting has grown substantially in recent years. Although this reflects the constraints on owner occupation to some degree, the reasons for the expansion of private renting have little directly to do with the income of tenants. One factor has been the privatisation of the public housing stock, often through the sale of council housing. Another has been the ability to command higher rents, which reflects the inability of people with one or two moderate incomes to purchase. However, the economic incentive for landlords to rent out property depends not on rent levels alone, but on the rate of return. That depends on the balance between capital values and income. Low rates of interest and the expectation of high capital gains have made renting more attractive than some many other investment opportunities. A Basic Income should not be expected materially to alter the calculation.

### Key insights - affordable housing

Whether housing is affordable depends partly on people's income or resources, and partly on price; and the price of housing depends on a combination of the housing market and the systems of finance which support it.

Most discussions of "affordable housing" focus on social rented housing for people on low incomes, and the provision of that sort of housing is heavily dependent on the system of benefits. Most social tenants are in receipt of low income benefits, particularly Housing Benefit, and social housing providers have to gear their operations to the rental income that can be raised through benefits.

## 2 BENEFITS AND HOUSING SUPPORT

In 1970, shortly before the development of Housing Benefit, there were seven main components to housing support in the benefits system. These were

- support for council housing, in the form of the payment of rent and rates (council tax) through Supplementary Benefit;

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- the general subsidy to council rents, which kept rents low;
- support for private rented housing, in the form of the payment of rent and rates through Supplementary Benefit;
- payments for supported housing, through Supplementary Benefit;
- rent controls on private rented housing;
- support for owner-occupiers, in the form of the payment of mortgage interest in Supplementary Benefit; and
- general support for owner-occupiers, in the form of tax relief on mortgage interest.

Housing Benefits (originally Rent Rebate and Rent Allowance) were introduced in 1972-73 in the belief that it would be better to withdraw general housing subsidies and to replace them with a cash benefit. Housing Benefit was “unified” in 1982, but it took 15-20 years for most of the changes in the rest of the system to take hold.

In relation to social housing,

- General subsidies were gradually withdrawn from 1972 to the mid-1990s.
- Many council properties were transferred to housing associations
- Council rents in England were deliberately increased through phased increases in order to reach “market rents”. This process did not happen in Scotland, but it has been an important driver of policy for the UK. Central government intended this process to be completed by 2012 but in practice the process could not be completed as private rents continued to increase. The policy has led to a substantial increase in the costs of Housing Benefit. Attempts to reduce those costs have led to other policy changes, including lower Local Housing Allowances, caps and the bedroom tax.
- Housing Associations have been required to finance their activities substantially through rents, and so through Housing Benefit.

In relation to private renting,

- Most rent controls were removed in 1988.
- The rents payable are subject to Local Housing Allowance rates.
- Governments have attempted to create a ‘level playing field’ in rented housing by increasing social rents to match the level of market rents. The levels of rent demanded by landlords have increased more rapidly. This means that private rents affect social renting, but the levels of Housing Benefit that are payable in private renting might equally be said to reflect the rent levels and amount in benefit paid to social tenants.

In relation to supported housing,

- residential care for older people was developed at speed in the 1980s through payments from Supplementary Benefit. Many of the provisions were transferred to the social care budget after 1990; for other forms of supported housing, Housing Benefit meets a substantial proportion of the costs.

In relation to owner-occupation,

- subsidies were maintained for much longer than for council housing; but after 2000 mortgage interest relief at source was phased out.
- Support for mortgages on benefit has more recently been reduced, at first paying mortgage interest only after an initial waiting period, then being limited to payments for two years (104 weeks) and after April 2018 only as a loan.<sup>1</sup> The rules are extremely complicated - frequent changes in policy mean that entitlement depends on when claims were made, when loans were taken out, which benefit is under consideration and how much the loan is for.

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The key issues to consider in any reform are that

1. Support for housing costs is as much a matter of housing policy as it is about benefits.
2. Benefits have been used for a range of purposes, including financing the system of social housing and developing the system of social care. They have served as a housing subsidy, a low income benefit, a form of market regulation and an attempt to manage rented housing, all at the same time.
3. Benefits are not just about paying for low-income housing. Many of the arrangements have been made to ensure that people who have liabilities to pay for housing can meet those liabilities during periods when income is interrupted.

## Key Insights - benefits and housing support

Benefits are not just about paying for low-income housing. Many of the arrangements have been made to ensure that people who have liabilities to pay for housing can meet those liabilities during periods when income is interrupted.

## 3 THE ROLE OF UBI

If UBI is intended to be adequate to cover minimum costs and to guarantee a standard of living, there is an argument for making the benefit sufficient to cover the necessary costs of housing. There are several problems in doing so.

- Housing costs are highly variable.
- Benefits are used to do much more than maintaining people's income.
- While some people pay for housing, others do not. Part of the general philosophy of UBI has been to equalise payments, and to compensate for those inequalities through taxation. In the UK it was once the practice to tax owner-occupiers households on the imputed rental value of the property they occupied. The rationale was that if they were renting property, they would be taxed on the money that paid the rent before the rent was paid; owner-occupiers do not have to face that. Mortgage Interest Relief was then granted to equalise the position of different owner-occupiers, ensuring that they could offset the costs against the imputed income. (The policy of taxing imputed rents was deeply unpopular and was ended in the 1960s, but mortgage interest relief was retained for nearly forty years.)

The main problem in introducing UBI while retaining Housing Benefit, or the housing component of Universal Credit, is that these benefits are means-tested. Housing Benefit (or Universal Credit including Housing Benefit) is means-tested, and either is withdrawn at 63% - a very high rate that creates a poverty trap. If Housing Benefit treats UBI as income, then two-thirds of the new benefit will be taken away from anyone who has to claim HB. If UBI is not taken into account, that problem does not arise, but the implication is that most of the millions currently claiming Housing Benefit will still have to claim complex, confusing benefits, and suffer the poverty trap.

## 4 A UNIVERSAL HOUSING ALLOWANCE

A different kind of argument might be made for a Universal Housing Allowance. Part of the case is an argument for decoupling benefit payments from the actual rent paid. Housing Benefit, and the housing component of Universal Credit, are hugely complicated. Reforming the benefits will be difficult, because they serve several functions at once, but a universal allowance could become part of

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the mix. A universal allowance would represent the extent to which governments are ready to support housing costs overall, and it would be neutral between tenures. The levels of benefits available have been driven by a desire to pump up social rents to 'market' levels; this could help to break that link.

The other issue that this might address is the problem of equivalence. A universal allowance paid for each distinct dwelling could be used to address the issue of equivalence as well as contributing some payment for housing. The first person in a household has more expenses to bear than the second, and approaching 30% of all households in the UK have only one person in them. If however there is a differentiation in UBI between individuals and couples, as there is in the Green Party proposal for UBI,<sup>2</sup> there has to be a way of identifying who is, and who is not, a member of a couple, with all the problems that entails.

The table which follows considers three standards: the equivalence scales used by the OECD, the test of Minimum Income Standards developed by Jonathan Bradshaw and his colleagues, and a modified MIS taking account of child care.<sup>3</sup> The income needs of the first person are nearly double those of each subsequent adult or child. A very simple scale in the final column relates to minimum income needs rather more effectively than the much more complex OECD scale. The distribution could be achieved by giving the same benefit to every person, but then giving the equivalent amount for each dwelling.

Equivalence scales				
	OECD scale	Minimum Income Standard	Minimum Income Standard with child-care	Flat scale of 0.5 after first person
Single	1.00	1.00	1.00	1.00
Couple	1.49	1.46	1.46	1.50
Single pensioner	1.00	0.89	0.89	1.00
Couple pensioner	1.49	1.26	1.26	1.50
Couple + 1 (aged 1)	1.79	1.68	2.36	2.00
Couple + 2 (aged 3/8)	2.09	2.13	3.08	2.50
Couple + 3 (aged 3/8/14)	2.58	2.65	3.58	3.00
Couple + 4 (aged 1/3/8/14)	2.88	2.82	4.11	3.50
Lone parent + 1 (aged 1)	1.30	1.31	2.00	1.50
Lone Parent + 2 (aged 3/8)	1.60	1.71	2.66	2.00
Lone Parent + 3 (aged 3/8/14)	2.09	2.23	3.18	2.50

## REFERENCES

See G Morgan, 2018, Support for mortgage interest: a loan alone, <https://medium.com/adviser>

Green Party of England and Wales, 2015, Basic Income: a detailed proposal, <https://policy.greenparty.org.uk/assets/files/Policy%20files/Basic%20Income%20Consultation%20Paper.pdf>.

See P Spicker, Why refer to poverty as a proportion of median income?, *Journal of Poverty and Social Justice* 2012 20(2) 165-177

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# Reflections on the Background Paper

from Tony Cain

**During the session Tony Cain mentioned some specific reflections on the Background Paper, here he outlines them:**

I remain unconvinced that there is in fact any sort of causal link or relationship between social housing rents and Private Rented Sector rents in Scotland but I don't think it's a material point in the consideration of the relative merits of UBI. The fact that the Scottish Government has no policy levers that it can bring to bear on rent setting in the social sector is probably a more important point. One that is already exercising officials in the context of the Scottish Government's ambitions around child poverty. It doesn't help that most of the sector has essentially ignored the Scottish Housing Regulator's advice since 2011 that we should be moving away from "inflation +" rent policies or that the Scottish Government's wider ambitions for social housing (Scottish Housing Quality Standard, Energy Efficiency Standard for Social Housing, Energy Efficiency Standard for Social Housing 2 and the new supply programme in particular) have driven above inflation rent rises for the last ten years. I would add that the uneven treatment of Council tenants, with less grant for new homes, paying Land and Buildings Transaction Tax for second hand purchases and no support for adaptations being the principle areas of discrimination has also been a factor though it hasn't resulted in local authority rents catching Registered Social Landlord rents.

I would offer a couple of other observations:

at **1 Affordable housing**, it is true that most social housing tenants claim some form of help with rent payments but the demographics of social housing has changed over the last 15 year with a significant fall in the percentage of pensioner households and a growth in the proportion of tenants of working age and in work albeit often part time and low paid, leaving them dependent on benefits. The long term implications of this for the sector haven't been looked at in a lot of detail and aren't as yet, well understood;

at **2 Benefits and housing support** there is mention of the "gradual" withdrawal of revenue subsidies for social housing, the main mechanism for this change was the capping and then ending of "rate fund contributions" to Council Housing Revenue Accounts. With the notable exception of Shetland where for historic reasons they held on to some subsidy rather longer than others, I think the subsidy was withdrawn quite quickly and rents rose significantly as a result. But once that subsidy route was ended so was central government's ability to influence rents in the Local Authority sector. As an aside, the mechanism for capping general fund contributions to Housing Revenue Accounts was an annual order in parliament setting a specified maximum amount that any council could pay into its Housing Revenue Accounts from the general fund. This order was renewed every year up until about 2010 and set the maximum contribution at 0. The fact that it hasn't been renewed since means that Councils could subsidise rents from the general fund again if they so wished, however, none have done so. This may in part be because Local Authority directors of finance have been quite slow to raise the issue with housing colleges or elected members but the general state of local authority finances over the past 8 years would make such a subsidy difficult to afford or justify.

Rents increases in the Private Rented Sector have been very, very uneven. Over the piece they seem to have risen about 1% ahead of inflation over the past 10 years as the sector has grown. But this has been much faster in Edinburgh and some "hotter" markets in the central belt. In part this has been linked to the rising demand from university students. But in Aberdeen rents have fallen in recent years and in areas like Glasgow, the Lanarkshires and the Ayrshires private rents, and house prices for that matter, have grown only slowly. It seems to me that capital growth and interest rates have been

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the key to these rises rather than the benefit system.

This is, of course all “housing anorak” stuff and not necessarily relevant to the UBI issue. The policy shift that underlies it, that is from supply side subsidies to social housing that ensured that rents were genuinely low (as opposed to “affordable” based on some relatively arbitrary criteria) to demand side subsidies in the form of means tested personal benefits is, I think, relevant to how UBI would play out in the housing world. The whole sector should be concerned that we now have some 32% of social housing tenants spending more than 30% of their net income on rents.

A move back to genuinely low rents (my 1981 £5 a week rent would now be £13.21 had it risen in line with Consumer Price Index inflation rates) would, for social tenants at least make a significant difference to how the problem of rent plays into the UBI discussion. A substantial expansion of the percentage of the stock in social renting particularly at the expense of the Private Rented Sector and in the more pressured markets would also make a material difference I suspect.

But I still think universal free school meals will have a bigger impact on the lives of those on low incomes, it’s just a shame that our political class is so poor at admitting mistakes or accepting that sometimes it’s ok to agree with folk that think differently about the world. An ambition to end poverty is to be welcomed, a refusal to do the right thing until that aim is achieved is at best folly, more probably cowardice. That, however, is a personal opinion!

## Workshop Report – Basic Income & Housing

by Cleo Goodman

### INTRODUCTION

The aim of this workshop was to explore the interface between Basic Income and housing costs including how a Basic Income and affordable housing provision could resolve housing problems. Our speaker for the session was Andrew Bailie, Partnerships Manager at Social Bite, who told us about their Housing First and Social Bite Village projects.

The session was attended by policymakers, practitioners and academics with expertise related to housing policy in Scotland.

Who?	Why?
<p>Scottish Government</p> <p>The Scottish Government is the devolved government for Scotland responsible for the economy, education, health, justice, rural affairs, housing, environment, equal opportunities, consumer advocacy and advice, transport and taxation.</p>	<p>Scottish Government are involved in the feasibility work looking at a Basic Income experiment in Scotland. Their remit of responsibilities makes them a key partner in any work looking at a Basic Income in the Scottish context.</p>
<p>Improvement Service</p> <p>Help councils and their partners improve the health, quality of life and opportunities of people in Scotland through consultation and facilitation, learning and skills, performance management and improvement, and research.</p>	<p>The Improvement Service are assisting with the research being done into the feasibility of a Basic Income experiment in Scotland.</p>

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<p>Paul Spicker</p> <p>Writer and commentator on social policy, Emeritus Professor of Public Policy Robert Gordon University</p>	<p>Paul has an in depth understanding of social policy that can be applied to the discussions about Basic Income. A critical sceptic of Basic Income and author of several of this project's background papers.</p>
<p>Annie Miller</p> <p>Economist and co-founder of Citizen's Income Trust and Citizen's Basic Income Network Scotland</p>	<p>Annie provides insight into the economic aspects of Basic Income and the global Basic Income movement and debate drawing from her experience looking at the topics over the last 30 years.</p>
<p>Scottish Refugee Council</p> <p>An independent charity dedicated to providing essential information and advice to people seeking asylum and refugees in Scotland</p>	<p>Provide benefit and housing advice and assistance to people who have recently received Refugee Status, Humanitarian Protection, or Discretionary Leave to Remain so provide significant insight into these processes in Scotland.</p>
<p>Glasgow Council</p> <p>Local government of the unitary authority of North Ayrshire, one of 32 unitary authorities in Scotland</p>	<p>Glasgow Council is one of 4 councils involved in the work looking at the feasibility of a Basic Income experiment in Scotland. Local authorities in Scotland provide a range of public services, including, social care and economic development, therefore local government is a key partner in any work looking at a Basic Income in the Scottish context.</p>
<p>Shelter</p> <p>UK wide charity defending the right to a safe home</p>	<p>Shelter Scotland helps over half a million people every year struggling with bad housing or homelessness through our advice, support and legal services. They also produce research, campaign and develop policy.</p>
<p>Chartered Institute of Housing</p> <p>Independent voice for housing and the home of professional standards.</p>	<p>The Chartered Institute of Housing is a UK wide charity providing training and support for housing professionals. They also lobby government to change housing policy.</p>
<p>Southside Housing Association</p> <p>A Registered Social Landlord in the Southside of Glasgow</p>	<p>Housing associations manage social housing in Scotland. Southside Housing Association are responsible for over 2000 properties in Pollokshields, Cardonald and Halfway.</p>
<p>Dr Gareth James</p> <p>Knowledge Exchange Associate for the UK Collaborative Centre for Housing Evidence (CaCHE)</p>	<p>Gareth's research interests include public policy, housing and household welfare. He also coordinates CaCHE's knowledge exchange efforts across Scotland.</p>
<p>Dr Mark Wong</p> <p>Lecturer in Social and Public Policy at the University of Glasgow</p>	<p>Mark's research interests include youth policies and welfare in Hong Kong and Scotland and youth marginalisation and disengagement. He brought insight into the housing needs and challenges faced by young people in Scotland.</p>
<p>Association of Local Authority Chief Housing Officers</p> <p>The representative body for local authority housing in Scotland.</p>	<p>ALACHO facilitates discussion and debate between the chief housing officer from each Scottish council to promote the interests of and knowledge sharing and relationships between local housing authorities.</p>
<p>Crisis</p> <p>National charity for homeless people</p>	<p>Crisis work directly with thousands of homeless people every year, providing one to one support, advice and courses for homeless people in 12 areas across England, Scotland and Wales.</p>
<p>Scottish Throughcare and Aftercare Forum</p> <p>Charity that unites care-experienced young people in Scotland and the professionals who support them</p>	<p>STAF provide training and consultancy and facilitate forums and focus groups to address the issues faced by care experienced young people in Scotland. They have highlighted housing and homelessness as a key area.</p>

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## HOUSING AS A HUMAN RIGHT

Adequate housing was recognised as a right in the 1948 Universal Declaration of Human Rights, and in the 1966 International Covenant on Economic, Social and Cultural Rights. Shelter Scotland launched the Commission on Housing & Wellbeing in 2013 to examine the link between well-being and housing saying that a human rights based approach would help them “ensure that rights to housing that are already outlined in domestic legislation and international human rights law are achieved and enforced in practice, by holding public authorities and duty bearers accountable and giving a clear remedy to individuals where rights are denied.”<sup>1</sup> The human rights based approach to housing was also advocated for during our session.

### Key insights - housing as a human right:

Adequate housing was recognised as a right in the 1948 Universal Declaration of Human Rights, and in the 1966 International Covenant on Economic, Social and Cultural Rights

It was also suggested that sustaining a household should be considered a human right and this requires an income. It was noted that housing associations have been known to have more welfare advisers on staff than housing advisers suggesting that there is a significant link between the housing sector and the complex welfare system. The group considered universality and the potential for universal systems simplifying both housing and welfare, questioning whether it was possible or indeed beneficial to have a single system addressing both. Although housing is a basic need it is not necessarily one best provided through a Basic Income due to the complexities of housing provision and policy.

## HOMELESSNESS

In Scotland a person is considered homeless, regardless of whether they have accommodation, if it is not reasonable for them to remain in it. The popular understanding of homelessness as rough sleeping is not representative, in 2017 of roughly 30,000 people that were classified as homeless only 5000 were in this group<sup>2</sup>. There are significant numbers of people who are considered statutory homeless with more in the hidden homeless group who are the unknown number of people who are staying in insufficient temporary accommodation, for example sofa surfing or in hostels. Many more are at risk of homelessness due to the costs and inadequacy of housing options.

A common reason for homelessness is eviction and a significant amount of housing advice focuses on rent arrears, which are the reason for most social housing evictions<sup>2</sup>. In low income households a choice often must be made between spending money on basic needs and rent, when this is an ongoing issue it can lead to eviction and homelessness. A Basic Income could alleviate this by providing a consistent, unconditional income, however if the cost of rent increased and there was no accompanying housing policy or benefit to account for this it may have no positive impact. It was noted that the periodicity of a Basic Income would be significant to its impact in a variety of areas, including for regular bills like rent.

### Key insights-homelessness:

In Scotland a person is considered homeless, regardless of whether they have accommodation, if it is not reasonable for them to remain in it.

Social security cuts have been linked to an increased demand for homelessness support services so it is possible that an increase in social support with a Basic Income would alleviate this need.

There are a number of supports provided by the government to ensure access to appropriate housing and alleviate homelessness, sometimes called the housing safety net, these include social housing, homelessness prevention and alleviation and housing benefits. Social security cuts have been linked to an increased demand for homelessness support services so it is possible that an increase in social support with a Basic Income would lessen this need.

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## HOUSING FIRST AND THE SOCIAL BITE VILLAGE

Our speaker was Andrew Bailie from Social Bite, he told us about their schemes Housing First and the Social Bite Village. The Housing First initiative aims to see 830 people housed in mainstream flats in 5 cities across Scotland over 18 months. The required wrap around support for the project totals £7 million, £3 million of this will be raised by Social Bite and the rest by Scottish Government. Social Bite will also be delivering a research project to collect evidence to make the case for this approach around Scotland. The Social Bite Village project supports up to 20 individuals who experience homelessness, providing 12-18 months of support and training with the intention of facilitating a transition to a more stable situation. The residents must not have present addiction issues or a dual diagnosis of addiction and mental health issues.

Andrew noted the similarities in the conversations around housing and Basic Income, they both refer to a baseline fulfilment of need. Often the discussion surrounding specific policy leads to the fundamental question: What type of society do we want to live in?

It was noted that the Social Bite schemes would be controversial if they were proposed by a local authority but the generation of attention and engagement through this type of project has its place. A significant proportion of the funds raised for the projects were through their Sleep in the Park sleepout fundraiser that saw hundreds of people collecting donations and spending a night in Princes Street Gardens.

## PRIVATE RENT, MORTGAGES AND SOCIAL HOUSING

It was said that private rental has been reframed as a route out of homelessness, but that this is restricted by income. A Basic Income has a limited capacity to support this route for people due to the deposits required for private renting. It was questioned whether a Basic Income would largely go to landlords as this is the case with most housing benefits. The distinction was also drawn between rent support and income support, suggesting Basic Income was intended to be the latter.

There was a question as to whether a Basic Income would be considered as part of mortgage lending. The benefit to this would be increasing the amount of people who qualify for a mortgage but there are also significant risks associated with allowing people to take on debt against their Basic Income payments. A Basic Income would, however, provide income support for people with existing mortgage liabilities during times of transition related to income or employment.

It was suggested that social housing should be accessible to anyone who wants to access it, which could be seen as an element of universality. In Scotland the social housing stock has been depleted, leading to a lack of appropriate housing, that is; adequate, safe, affordable and warm. Housing Associations are renewing and improving the housing stock but there is a significant lack of one person units. It was noted that the policy problem is distinguishable from the supply problem as there are properties with multiple rooms that are not accessible to single people due to the way accommodation is allocated. These aspects of social housing would not be improved by a Basic Income. Perhaps a Basic Income would encourage a move towards acceptance of more universal policies, but the significant issues are with the provision of adequate housing.

 *Key insights private rent, mortgages and social housing:*

The distinction was drawn between rent support and income support, suggesting Basic Income was intended to be the latter.

## BASIC INCOME AND HOUSING BENEFITS

The group questioned the role of a Basic Income in simplifying the social security system in relation to housing. It was suggested that there could be less complexity with a Basic Income but this would

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## ⚙️ Key Insights Basic Income and Housing Benefits:

The consensus seemed to be that housing benefits should be kept separate from a Basic Income

take a concerted effort to simplify the housing benefit element, whether this was included or excluded from the Basic Income payments. The introduction of a Basic Income would necessitate significant changes in social security. It was said that a specific Basic Income model was required to comment with any kind of confidence.

The question, that came up throughout the discussion, was: does a Basic Income include a housing element? Throughout the consensus seemed to be that housing benefits should be kept separate from a Basic Income, which is intended as an income support, with housing policy reform required to address the specific issues related to housing in Scotland.

## REFERENCES

page 6, [https://scotland.shelter.org.uk/\\_\\_data/assets/pdf\\_file/0010/1657801/Housing\\_is\\_a\\_human\\_right\\_FINAL\\_100119.pdf/\\_nocache](https://scotland.shelter.org.uk/__data/assets/pdf_file/0010/1657801/Housing_is_a_human_right_FINAL_100119.pdf/_nocache)

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## BASIC INCOME AND HOUSING SUMMARY

### POTENTIAL BENEFITS

- With a means-tested benefits people are often financially worse off when living together, this wouldn't be the case with Basic Income so more people may choose to do it
- Homelessness often caused by eviction, perhaps the stability of a Basic Income would prevent that

### CONCERNS

- Lack of clarity of what housing policy is trying to achieve, hard to know how this would interact with BI
- Basic Income going straight to landlords
- High relative rate of inflation of housing costs not addressed by Basic Income
- Lack of housing supply not addressed by a Basic Income
- Rent control not addressed by a Basic Income
- Basic Income helps very little with saving for rental deposits
- Basic Income does not address the geographic discrepancies in housing costs
- The buy-in for the universality of Basic Income may not transfer to universal support required for housing issues
- Implementation may lead to people being worse off

### KEY QUESTIONS

*The key questions from this session related to the modelling of a Basic Income:*

- Would a housing element be included in a Basic Income?

*The answers to these questions can only be provided by long term analysis of the impacts of a full Basic Income. The questions consider outcomes that operate on different time scales, for some evidence could be collected on a short term basis during a Basic Income pilot, others are medium or long term outcomes that would require a longer duration of data collection to evidence. They are roughly in order of the time scale required for assessment but this depends heavily on the specific experimental criteria.*

*The Basic Income Steering Group facilitating the feasibility study in Scotland use the following categories for outcome timeframes: short term: 2-3 year pilot period, medium term: 4-10 year and longer term: 10-20 years.*

- How would a Basic Income impact the incidence of rent arrears?
- Would a Basic Income be taken into account for mortgage lending?
- Would a Basic Income impact homelessness?
- How would a Basic Income impact those at risk of homelessness?
- How would a Basic Income impact groups that display a higher incidence of homelessness?
- How would a Basic Income impact the demand for homelessness support services?

All outputs from the project can be found at [www.cbin.scot/resources/](http://www.cbin.scot/resources/)

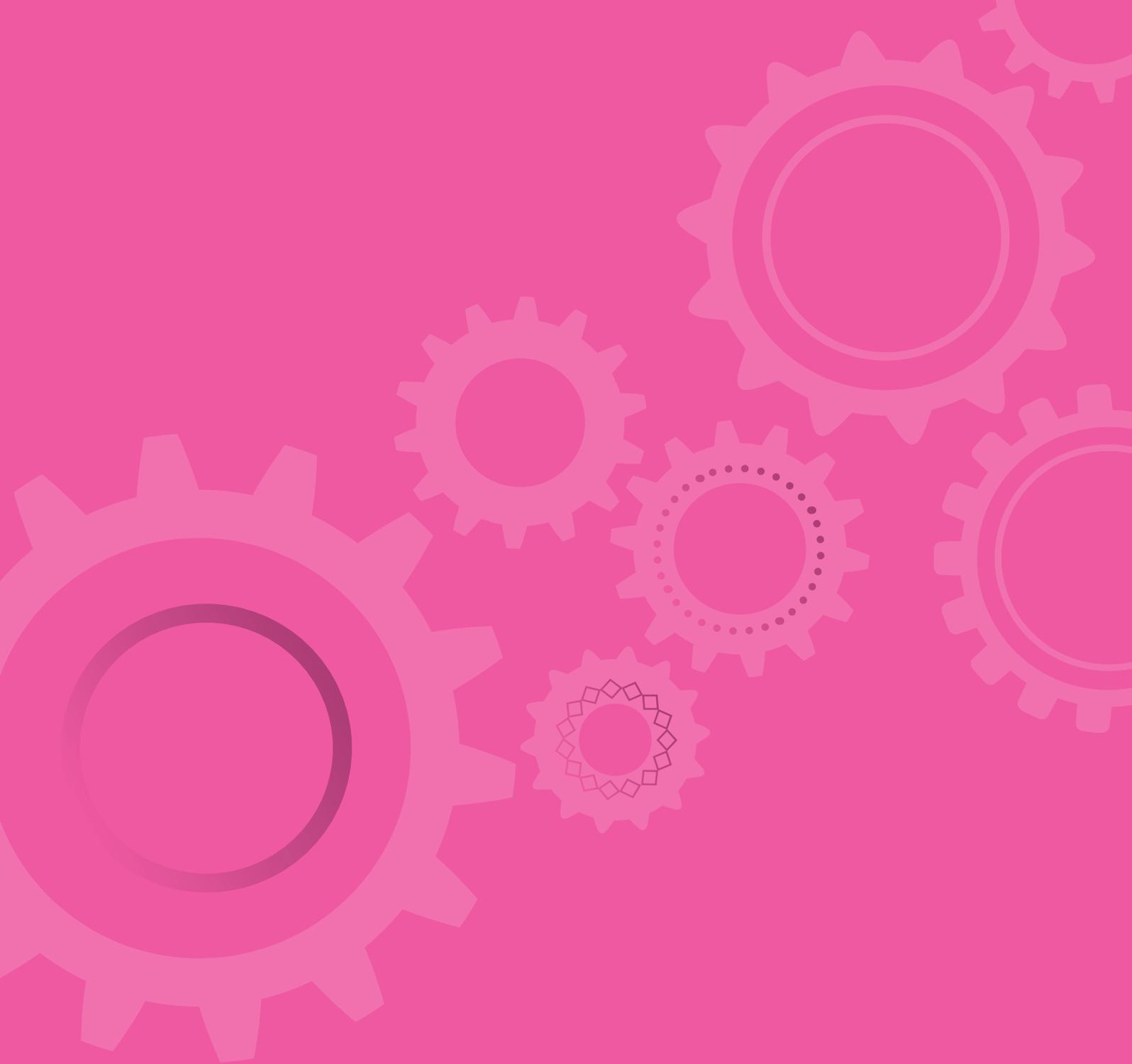


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# Basic Income & Housing

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