

Committee: COMMUNITY COMMITTEE

Agenda Item

Date: November 9 2006

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Title: RENT DEPOSIT SCHEME

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Summary

1. This report advises the Committee on the progress made to date since the introduction of the Rent Deposit Scheme (RDS) in April 2005.

Recommendations

2. That the Committee approves the continuation of the Rent Deposit Scheme.

Background Papers

3. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report:
 - Rent Deposit Scheme files
 - Report to Health and Housing Committee 3 March 2005

Impact

- 4.

Communication/Consultation	Actively promoted to potential homeless applicants as part of the Council's homelessness prevention work
Community Safety	N/A
Equalities	Important to ensure the scheme is open to all in accordance with Council's Equal Opportunities Policy.
Finance	Rent Deposit Scheme is operated via previously agreed budget.
Human Rights	As stated in equalities.
Legal Implications	Helps fulfil part of the Council's statutory

	homelessness duties.
Ward-specific impacts	N/A
Workforce/Workplace	Part of routine work of Housing staff.

Situation

5. In November 2004 the then Health and Housing Committee agreed to the setting up and funding of a Rent Deposit Scheme in Uttlesford. A budget of £25.000 was agreed for 2 years. Approval was given subject to a review after about 18 months of operation.
6. It was agreed that it would be necessary to work in partnership with an agency already experienced in running such schemes with neighbouring authorities, hence after extensive research, King Street Housing Society emerged as the Council's partner.
7. It should be noted that in the first year 2005/06 18 deposit guarantees were approved which helped people in both priority and non-priority homeless or threatened homeless situations find a suitable home. This may have avoided some people having to go into bed and breakfast.
8. A total of 10 deposit guarantees have been granted so far in this financial year, 2006/07, (6 families and 4 single people). This means that the Council is on target for achieving a similar total of deposit guarantees this year as in 2005/06.
9. King Street Housing continues to provide an excellent service as far as managing the scheme. It is important to note that the Council does not have the resources to manage such a scheme in house.
10. Appended to this report is a summary of how the Rent Deposit Scheme operates.

Targets

11. This report is to inform the Committee of how the scheme is currently working of the District and therefore assist the Committee to see how the scheme is successfully used to prevent homelessness and to expand the housing options available within Uttlesford

Options

12. There would seem to be two options for Committee to consider either to
- (i) continue to fund the scheme and to review after another 2 years or
 - (ii) discontinue the scheme at the end of the current financial year.

Pay-Offs/Penalties

13. The pay-off for the Committee agreeing to continue to fund the Deposit Guarantee Scheme will be to continue the work begun on homelessness prevention within the district and in providing an alternative housing option to our customers other than that of waiting for an allocation of housing through the Council's Allocation Scheme.
14. The penalty of not continuing with the Scheme would be to limit the housing options within Uttlesford for many people and to reduce the homelessness prevention work that we are currently able to carry out. This would have an adverse on the homelessness prevention BVPI which in turn could be seen as a reason for the Homelessness Directorate within the DCLG to reduce the homelessness grant it currently gives to the Council.

Risk Analysis

14. The following have been assessed as the potential risks associated with this issue.

Risk	Likelihood	Impact	Mitigating Actions
Rent Deposit Scheme abandoned	Low	Medium	Continue to be proactive in promoting the scheme to ensure adequate take up

Rent Deposit Guarantee Scheme

How the Scheme Works

1. Applicants for the Scheme are interviewed by a Housing Officer and if they are considered an appropriate case a form is completed.
2. This is then checked by a Senior Officer and if agreed the nomination is forwarded to King Street Housing Society.
3. King Street then contacts the applicant giving them information on how to go about finding privately rented housing.
4. When the applicant identifies a property they contact King Street who then assesses the suitability and affordability of the property for the applicant.
5. Once agreement has been reached between the Society the applicant and the prospective landlord King Street arrange to meet all parties at the property where the tenancy agreement is signed and an inventory carried out.
6. The deposit guarantee remains in place for the lifetime of the tenancy or a year whichever comes soonest during this time the tenants are encouraged to save so they can provide the deposit for themselves. Continuation of a deposit after a year is at the discretion of the Society and the Council.
7. When the tenancy ends King Street will again visit the property and agree if any deposit monies need to be paid out to the landlord. If money is lost from the deposit the Society will seek to recover this from the tenant.
8. King Street by agreement with Council can on occasions pay rent in advance to facilitate an applicant being able to take up a tenancy again the tenant is then asked to save to repay this money