

ANGUS COUNCIL

Housing Committee - 18 November 2004

RENT DEPOSIT GUARANTEE SCHEME - DUNDEE CYRENIANS

REPORT by DIRECTOR OF HOUSING

ABSTRACT

The report seeks approval for the proposal to fund the Rent Deposit Guarantee Scheme. This would be a partnership between Dundee Cyrenians, Angus Council and Service Users.

1. RECOMMENDATION

It is recommended that Members agree to the establishment of a Rent Deposit Guarantee Scheme to be funded from November 2004 - March 2006.

2. BACKGROUND

Members will be aware that the Angus Homelessness Strategy 2003 - 2008 contains a specific commitment to develop a Rent Deposit Guarantee Scheme by 2004. This commitment is driven by Section 90 of the Scottish Executive's Code of Guidance on homelessness which states that "every local authority should ensure that people at risk of homelessness or those resettling from homelessness can access a local rent guarantee/deposit scheme."

Rent Deposit Guarantee model

The principle behind the Rent Deposit Guarantee Scheme is that the landlord is provided with a guarantee that if damage is caused to the property, or rent arrears are accrued, he/she will receive money, up to a maximum of £240, to cover the loss. The guarantee is in place of the deposit that would usually be paid by the tenant at the start of the tenancy.

Client group served

The criteria for eligibility for the scheme will be as follows:-

- The client will be homeless or at risk of homelessness, but not in priority need, i.e. a person to whom the Council has no duty to provide permanent accommodation.
- Clients will be in receipt of benefits or on low income and have no means of paying a deposit at the commencement of a tenancy.
- Clients will be assessed for their suitability for inclusion in the scheme. Support to enable clients to maintain their tenancies will be provided by the project worker; however, those with high or complex support needs may not be considered suitable for the scheme.

Number of tenancies

The scheme will create a minimum of 17 tenancies in the period November 2004 - 31 March 2006.

Staffing

Dundee Cyrenians will employ a part time Project Worker (18 hours) at AP2 grade to staff the scheme on a day to day basis. Management and supervision of the worker will be undertaken by the project co-ordinator who will devote four hours a week to the Angus Rent Deposit guarantee Scheme.

Staffing costs relating to this project will be met by Angus Council as outlined below under the headings 'Salary for AP2 Post' and 'Management and Supervision costs.'

Project location

The incoming project worker will be located in Arbroath, as this is the area with the highest concentration of private rented sector accommodation, and the largest proportion of non-priority homeless applicants. Angus Council will provide the worker with office space at Millgate Loan.

3. PROPOSED SERVICE LEVEL AGREEMENT

It is intended to enter into a Service Level Agreement with the Dundee Cyrenians for the period November 2004 - 31 March 2006.

The Service Level Agreement will be subject to regular monitoring and evaluation by a steering group comprising representatives from the Policy and Performance Unit, Housing, Finance and Environmental and Consumer Protection.

4. FINANCIAL IMPLICATIONS

With amendment to the Local Outcome Agreement costs will be contained within the Housing Act Implementation Funding (Homelessness). The total cost is £24,432, summarised as:

November 2004 - 31 March 2005		1 April 2005 - 31 March 2006	
Salary for AP2 post	£1,667	Salary for AP2 post	£10,000
Recruitment	£ 500	Recruitment	£ 500
Travelling costs	£ 833	Travelling costs	£ 2,500
Publicity and Promotion	£ 333	Publicity and Promotion	£ 500
Postage and Stationery	£ 166	Postage and Stationery	£ 500
Telephone	£ 166	Telephone	£ 500
PC and Start-Up costs	£1,600		
Management and Supervision	<u>£ 667</u>	Management and Supervision	<u>£ 4,000</u>
Total	<u>£5,932</u>	Total	<u>£18,500</u>

In addition to the above costs, Angus Council will be providing office space to the incoming project worker, and will be required to guarantee the bonds. The ceiling for each bond will be set at £240. Evidence from the Dundee scheme indicates that it is unlikely that the Council would lose more than £400 in guarantee bonds during the proposed funding period. These costs will also be met through the Housing Act Implementation Funding (Homelessness).

5. HUMAN RIGHTS IMPLICATIONS

It is considered that in following the recommendations contained in this report, the Council would not be acting in any way that is incompatible with human rights legislation.

6. CONSULTATION

In preparing this report there has been consultation with the Chief Executive, Director of Finance and Director of Law & Administration.

7. CONCLUSION

By funding this project the Council will be able to honour the commitment made in its homelessness strategy to set up a Rent Deposit Guarantee Scheme by 2004. The Dundee Cyrenains have experience of managing a similar project for Dundee City Council and hence have demonstrated their expertise in the field. It is therefore recommended that the Committee approve funding for the proposed partnership project.

Ron Ashton
Director of Housing

Note:- No background papers, as defined by Section 50d of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information), were relied upon to any material extent in preparing this report.