



AGENDA ITEM:

SUMMARY

Report for:	Housing and Communities Overview and Scrutiny Committee
Date of meeting:	17TH July 2013
PART:	1
If Part II, reason:	

Title of report:	DEPOSIT GUARANTEE SCHEME SERVICE DEVELOPMENT REPORT
Contact:	<p>Cllr Margaret Griffiths – Portfolio Holder for Housing</p> <p>Julia Hedger – Strategic Housing Group Manager</p> <p>Isabel Connolly – Strategy, Policy and Private Sector Housing Team Leader</p>
Purpose of report:	To update Members on the proposed service developments for, and re-branding of, the Council's Deposit Guarantee Scheme.
Recommendations	For Members to consider the service developments and re-branding, and give their feedback.
Corporate objectives:	Affordable Housing
Implications:	<p><u>Financial</u></p> <p>The service developments proposed can be implemented within existing budgets.</p> <p>The re-branding exercise is planned as part of the Strategic Housing department's communications strategy for 2013/14 and is covered by existing budgets.</p> <p>Central government has provided local councils with a new power to discharge the full homelessness duty with an offer of suitable and affordable private rented sector accommodation. By making use of the new power through this scheme, the</p>

	<p>Council will be able to use a private rented sector offer as the final offer to discharge a homelessness duty. Financial savings should be gained from reductions in the need for high cost, short-term temporary accommodation.</p> <p><u>Value for Money</u></p> <p>The service developments aim to increase tenancy sustainability rates and length of letting periods. This will achieve value for money because:</p> <ul style="list-style-type: none"> • New tenancies are the most intensive use of resources so reducing tenancy failure improves value for money • Failed tenancies can result in tenants being housed in expensive temporary accommodation. <p>By making use of the new power to discharge duty, the Council will reduce pressure on its affordable housing stock from homeless applicants and thereby allow more voids to go to applicants on the main housing register. Value for money will be improved through more flexible use of Council and Housing Association stock.</p> <p><u>Legal</u></p> <p>The Homelessness (Suitability of Accommodation) (England) Order 2012 sets out clear guidelines on suitability and affordability where a local authority chooses to discharge the full homelessness duty with a private rented sector offer.</p> <p>The proposed service developments aim to provide a robust framework with defined internal procedures to ensure that the service can meet the requirements of the Order.</p> <p>Note: The Order will not be relevant to those tenants who move into a property through the scheme as part of prevention work.</p>
<p>Risk Implications</p>	<p><u>Tenancy sustainability</u></p> <p>Tenants housed into the private rented sector will not have the same security of tenure that they would in a Council or Housing Association property.</p> <p>Management of this risk will be carried out by:</p> <ul style="list-style-type: none"> • Assessing the suitability of potential tenants and excluding certain very vulnerable groups including households fleeing violence; • Increasing the tenancy sustainment work carried out by officers within the private sector housing team; and • Making use of the resettlement service provided by the Advice and Homelessness Team to those applicants given a private rented sector offer to discharge the full homelessness duty.

	<p><u>Rogue landlords</u></p> <p>Management of this risk will be carried out by:</p> <ul style="list-style-type: none"> • Implementing a rigorous process to identify both suitable properties and landlords. <p><u>Financial</u></p> <p>A deposit guarantee is a guarantee underwritten by the Council and given to a private landlord in place of a cash deposit. This guarantee covers loss and damage, not rent. There is a budget in place to cover claims against these guarantees.</p> <p>Management of this risk will be carried out by:</p> <ul style="list-style-type: none"> • Increasing the tenancy sustainment work with tenants, including looking after a home. <p>This support will be provided through a compulsory pre-tenancy training course, and as part of officers' on-going interactions with tenants.</p> <p><u>Legal</u></p> <p>Where the Council uses a private rented sector offer to discharge the full homelessness duty, the homeless applicant will have the right to request a review of suitability. This review will be carried out by a senior reviewing officer (Group Manager) within the department. The tenancy contracts used by landlords in the scheme will need to be checked so that there is flexibility to break the contract in the case that such a review is successful.</p> <p>All new tenancies will be signed off by a Team Leader and the private rented sector officers will work closely with housing options officers and the homelessness team to successfully match tenants and properties to achieve high tenancy sustainment rates.</p>
Equalities Implications	No reasons to expect discrimination have been identified that the Council does not have processes in place to mitigate.
Health And Safety Implications	Any properties identified as suitable will have to meet Health and Safety criteria as stated in the Suitability Order.
Monitoring Officer	Deputy Monitoring Officer:

S.151 Officer	
Consultees:	<p>Cllr Margaret Griffiths – Portfolio Holder for Housing</p> <p>Dacorum Borough Council Housing and Communities Overview and Scrutiny Committee</p> <p>Tenants and Leaseholders' Committee</p> <p>Mark Gaynor – Corporate Director Housing and Regeneration</p> <p>Elliott Brooks – Assistant Director Housing</p> <p>Andy Vincent – Group Manager for Tenants and Leaseholders</p> <p>Natasha Brathwaite – Housing Advice and Homelessness Team Leader</p> <p>Teresa Wood – Housing Options Team Leader</p> <p>Jack Burnham – Development Manager</p>
Background papers:	<p>Draft Homelessness Strategy 2013 - 2018</p> <p>Housing Allocations Policy April 2013</p> <p>Draft Housing Strategy 2013 - 2018</p> <p>Localism Act 2011</p> <p>Section 193 (Part 7 of the Housing Act 1996)</p> <p>The Homelessness (Suitability of Accommodation) (England) Order 2012</p>
Glossary of acronyms and any other abbreviations used in this report:	<p>H&C OSC – Housing and Communities Overview and Scrutiny Committee</p> <p>TLC – Tenants and Leaseholder Committee</p>

1. Background

1.1 The current Deposit Guarantee Scheme

The Deposit Guarantee Scheme (DGS) is used as a preventative measure against homelessness and helps families who are unable to raise the deposit needed to access the private rented sector. DGS was previously known as the Dacorum Initiative Guarantee Scheme (DIGS), initially set up in 2000.

A deposit guarantee is a guarantee underwritten by the Council and given to a private landlord in place of a cash deposit. For many families, this can make private rented accommodation more affordable. The scheme only provides a deposit guarantee. DGS cannot help with rent in advance, a cash deposit, a guarantor or agency fees.

As the Council has applicants identified through its homeless prevention work with households, one of the main attractions to landlords of the scheme is that it provides a tenant-find service that allows a quick time-to-let.

1.2 The current DGS application process

If a homelessness officer believes an individual may be eligible for the DGS scheme, they will ask the individual to complete a DGS application form as part of their homelessness prevention work.

If a suitable property becomes available, the applicant will be contacted by a private sector housing officer to arrange a property viewing, and then if agreed with the landlord and tenant, a sign-up.

1.3 The current DGS service

At the moment the service has standardised contracts and paperwork and officers provide on-going third party support to landlords and tenants during the course of tenancies.

Several areas for the development have been identified to ensure that the service provides the robust framework to guarantee a service standard that will enable the Council to recruit additional landlords, and to discharge the full homelessness duty using private rented sector offers. These areas include:

- Updating the paperwork and filing systems, improving the use of on-line systems;
- Increasing the checks on landlords and properties, working in partnership with Environmental Health;
- Increasing the expertise of officers to match tenants and properties to achieve long letting periods;
- Increasing the focus on tenancy sustainment and tenancy support to both landlords and tenants;
- Increasing the information available to tenants and landlords online and in information packs; and
- Improving the cross-team processes and links between officers in the private rented sector team and both, housing options officers and homelessness officers.

2. Help to Rent

2.1 The proposed Help to Rent service

The private sector housing team will provide the following:

- A tenant matching service including a pre-tenancy interview
- Compulsory pre-tenancy training and financial inclusion support
- Start-up packs for landlord and tenant
- Sign up with tenant and landlord
- Settling-in phone call within the first fortnight
- Settling-in visit after four to six weeks
- Catch up phone call once a quarter with both landlord and tenant to troubleshoot
- Mediation (phone calls and visits) where communication between tenant and landlord has broken down in relation to:
 - Rent / housing benefit
 - Repairs / environmental health
 - Evictions / notices
 - Claims
- Website service providing:
 - Application forms
 - Information and resources
 - Landlord and tenant forums

Note: the Council will not carry out any repairs

The service will invest in a customer relationship management system for tenancy files and case notes.

A transfer register will be introduced based on an assessment of need and date of registration.

There will be a full review of internal procedures

Team training will focus on:

- Tenancy management and contract law
- Welfare and support
- Mediation

2.2 Intended outcomes

- 1) A scheme that is attractive to landlords because of:
 - A tenant find service and quick time-to-let;
 - Offer of a tenancy management package not available on the private market;
 - Good, informative website; and
 - Enquiries get fast response from officers trained in mediation.
- 2) Increased take up of the scheme by new landlords because:
 - Tenancy support and management will improve landlord trust with the service and make them more likely to recommend the service to another landlord (word of mouth is very important in this market).

- 3) Tenancy sustainability and value for money achieved by:
 - Focusing resources on tenant and property matching; and
 - Increasing the focus on welfare, support, and third party mediation to support long lettings periods.
- 4) Reduced risk achieved by implementing:
 - Robust processes to protect the Council from potential challenges against its decision making; and
 - An improved service that provides an opportunity to raise the scheme's reputation in the local community.
- 5) An opportunity to improve the Council's knowledge of the local private sector housing market that is available to lower income households.
- 6) Meet strategic objectives and direction in:
 - The Housing Strategy 2013 - 2018
 - The Homelessness Strategy 2013 - 2018

2.3 Timescales

The proposed time line for the Council's new Help to Rent scheme is as follows:

- July 2013
 - Report on service development proposals to the Corporate Management Team, Homes and Communities Overview and Scrutiny Panel, and Cabinet.
- August 2013
 - Consultation with landlords
 - Communication plan implemented.
- September 2013
 - Launch new service to tenants and landlords with robust internal procedure and monitoring system in place for discharging the full homelessness duty into the private rented sector.

3. **The recommendation of this report is that Members consider the service developments and re-branding of the service as 'Help to Rent', and give their feedback.**