
Report To:	Environment and Regeneration Committee	Date: 7 March 2019
Report By:	Corporate Director Environment, Regeneration and Resources	Report No: ENV/016/19/DH
Contact Officer:	Drew Hall	Contact No: 4272
Subject:	Deposit Guarantee Scheme	

1.0 PURPOSE

- 1.1 The purpose of this report is to seek approval for a Deposit Guarantee Scheme (DGS) help the homeless , potentially homeless or those in low income to access decent homes in the private rented sector.

2.0 SUMMARY

- 2.1 The proposed scheme will assist people to rent property in the private rented sector (PRS), who lack sufficient funds to cover the cost of a deposit. The Council will provide a written 'bond' guarantee to the landlord to cover the cost of a deposit on an applicant's chosen property. Bond guarantees will be issued up to a maximum of £650; however properties must be affordable and where possible will not exceed the Local Housing Allowance (LHA) rate. Applicants will have 1 year to save the deposit to put in place at the end of the scheme and will receive ongoing support from homelessness service to help them save money. The only financial cost to the Council will be in the event of damage to the property up to a maximum of £650 per property for the first year of the tenancy, which the Council will pursue the applicant for via debt recovery where practical.
- 2.2 The budget available can assist a maximum of 45 people in the first instance; however it is unclear how many people will be eligible or choose to participate in the scheme. After 18 months the scheme will be evaluated and the outcomes will be reported back to Committee.
- 2.3 The DGS is being piloted to test the viability of the scheme for the longer term, overall the policy aims to (i) prevent or relieve homelessness, (ii) assist households to access suitable, good quality accommodation in the private rented sector, who are on a low income, (iii) minimise the use of temporary accommodation, (iv) improve the practice of private rented sector landlords and (v) increase housing options and strengthen choice to residents.

3.0 RECOMMENDATIONS

- 3.1 That the Committee approve the pilot Deposit Guarantee Scheme for operation in Inverclyde.
- 3.2 That the Committee further agree that a future report on the outcomes of the 18 month pilot scheme be present to the appropriate Committee.

4.0 BACKGROUND

- 4.1 The Local Housing Strategy 2017-2022 sets out what Inverclyde Council and its partners are planning to do to make Inverclyde a place where people have access to quality, affordable homes in sustainable communities. The basis for establishing a DGS in Inverclyde is set out in Outcome 3: Preventing Homelessness.
- 4.2 The private rented sector (PRS) is now seen as playing a crucial role in providing good quality, affordable accommodation that is a suitable alternative to social renting, particularly in Inverclyde. The number of private properties in Inverclyde is around 4527, which is 11% of the total housing stock, and continues to grow. Private landlords usually require higher deposits and rent in advance, which many people on low incomes and benefits may have difficulty rising. The DGS is a simple and effective way to improve access to good quality housing in the PRS.
- 4.3 Deposit Guarantee Schemes are operational in at least 24 Local Authorities (LA's), either by the LA itself or a third sector organisation. DGS are well established: desktop research and contact with other LA's has revealed the extent and positive success they have had over the years. Comparing like for like in terms of targets and the cost of bad debt is difficult as schemes operate differently, however based on information from Perth and Kinross, Dumfries and Galloway and Fife, it is reasonable to estimate that 20% of the overall budget may be spent on paying landlords in the event that the property is damaged. Estimates are created on 45 people signing up to the scheme, which is based on the maximum expose to the budget available. It is unknown the full extent of damages that might be claimed under the scheme or how many people require help under the scheme, however homeless data shows that people primarily find accommodation in the social rented sector.
- 4.4 The key principle for the operation of the DGS is to assist households to access private rented sector property of their choosing by guaranteeing a deposit where the household does not have sufficient funds to cover the cost. The scheme provides a written 'guarantee' to the private landlord instead of a tenant providing a cash deposit. A bond guarantee will be issued to the value of the chosen property with a maximum of £650. Money will only be given to the landlord in the event of damage to the property, however compensation for rent arrears may be considered.
- 4.5 If the tenant damages the property, the Council will settle the debt up to the value of the deposit bond with the landlords at the end of the tenancy. Before the tenancy starts, an inspection attended by an Environmental Health Officer (EHO), to assess the condition of the property against the repairing standard, and a member of the Homelessness Service will take photographic evidence to safeguard the Council against any claims. In the event of a claim, a further inspection will take place and pictures compared to the original inspection to ascertain whether the claim is valid.
- 4.6 Both tenants and landlords will be supported and offered mediation throughout the course of the DGS should any disputes arise, however the landlord is solely responsible for all duties relating to the tenancy and will be required to enter into a formal tenancy agreement under The Private Housing (Tenancies) (Scotland) Act 2016.
- 4.7 During the course of the scheme, the tenant will be advised to save enough money to cover the cost of deposit to put in place once the scheme is over. This is a key priority, which will be encouraged through ongoing support from the homelessness service.
- 4.8 **Credit Union**
Inverclyde Council has teamed up with Tail O' the Bank Credit Union to encourage people to save money for their deposit. A one off £10 insurance cost will be paid for each applicant to cover up front insurance cost of opening a savings account. The Tail O' the Bank will operate a special savings account, with restricted withdrawal periods to limit risk of spending saved funds. The applicant will sign a written agreement

to authorise the Tail O' the Bank to transfer the full deposit amount directly to the landlord once it has been saved.

4.9 All money saved by the applicant will be deposited in the Tail O' the Bank Credit Union and will not be held by the Council at any time. Teaming up with Tail O' the Bank also has consequential benefits of encouraging a culture of saving, and members of the credit union are eligible for loans with reasonable and legitimate interest rates.

4.10 **Administration**

The scheme will be administered by the Homelessness Service and assessed via Housing Options interview. Accepting an applicant will be at the discretion of the Homelessness Services Team lead. Any money paid to the landlord for property damages will be recovered by debt recovery under the sundry debtor's corporate debt policy where practical.

5.0 PROPOSALS

5.1 The pilot aims to administer the DGS to a maximum of 45 people only in the first year. It is unknown how many people will require support under the scheme, however operating a pilot scheme will enable to Council to make a more informed decision about operating the policy fully.

5.2 Following an 18 month pilot, the period will be assessed and findings will be reported back to Committee.

5.3 The DGS will be run by Homelessness Service with support from Housing Strategy and Policy.

5.4 There are no legal consequences arising from this report.

6.0 IMPLICATIONS

6.1 **Financial Implications**

The Council approved that a report setting out a DGS be submitted for consideration by Committee at a meeting on 15 March 2018 and that costs for the scheme be identified from free Reserves. A maximum of 45 applicants will be supported under the DGS pilot with a total provisional cost of £29,250 if all landlords require to be compensated under the bond. Money from the scheme will **only** be administered to compensate the landlord should there be any damage to the property. Based on the evidence of other local authorities, it would be estimated that around 20% of the total budget cost will be used to pay landlords at a provisional cost of £5,850, however calculations are estimates only. It is unlikely the scheme will be taken up by 45 people in the first year, due to level of people who may be eligible, present as homeless and require housing in the private rented sector.

A maximum of £650 has been identified for each applicant, but this will depend on the amount of deposit required by the landlord for the property. Applicants will only be eligible for the deposit value on their identified property, which should be affordable and where possible, not exceed LHA.

The scheme will also provide £10 for each applicant to set up a savings account with Tail O' the Bank Credit Union to save money for their deposit, with a total cost of £450. This is the only way to get access to a Tail O' the Bank savings account and it is envisioned this will encourage applicants to save money.

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
	Reserves	2018/2020	£6300		£5850, allowance for bad debt and £450 for applicant sign up to Tail O' The Bank Credit Union. Maximum exposure is £29, 700

Annually Recurring Costs/ (Savings) to be decided following evidence from the pilot report.

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if Applicable)	Other Comments
N/A					

6.2 Legal Implications

Legal Services have been consulted regarding the policy documentation and legal agreements for the applicant and landlord. All changes have been administered and are legally compliant (see appendix).

6.3 HUMAN RESOURCES

There are no specific human resources implications arising from this report.

6.4 EQUALITIES

Has an Equality Impact Assessment been carried out?

X	YES (see attached appendix)
	NO

6.5 Repopulation Implications

Assistance to help tenants access good quality accommodation supports re-population.

7.0 CONSULTATION

7.1 The DGS pilot seeks to help those who are threatened with homelessness, on a low income who are struggling to access housing in the private sector.

7.2 The DGS will extend the housing options available to residents of Inverclyde by offering better access to the private sector and adopting a policy in line with other LA's.

7.3 The scheme aims to address outcomes and actions of the Local Housing Strategy 2017-2022.

8.0 BACKGROUND PAPERS (attached)

- Scheme Information Leaflet
- Landlord Minute of Agreement
- Applicant Agreement
- Tail o' the Bank Agreement



Deposit Guarantee Scheme (DGS)

September 2018





Purpose of scheme

The Deposit Guarantee Scheme (DGS) is to support people to access accommodation in the private rented sector, by guaranteeing a deposit where the applicant does not have sufficient funds to cover the cost. The scheme provides a written bond 'guarantee' equivalent to the value of the deposit on the property, up to a maximum of £650, to the private landlord instead of providing cash deposit upfront.

The Deposit Guarantee Scheme covers the first 12 months of the tenancy, which gives the applicant a chance to save a cash deposit to give to the landlord if they remain in the property after 12 months.

What are the benefits of the DGS?

For Applicant

- The DGS will assist the applicant to move into a property of their choosing in the private rented sector
- The scheme provides a guarantee to the landlord rather than upfront cash for people who have no or limited available funds to set up a tenancy
- Individual support is available to the applicant over the course of the Scheme

For Landlords

- Reliable contact and support for both Landlord and applicant throughout the course of the scheme
- Inspection of property, photographic inventory taken of the contents before anyone moves in





Who's eligible?

- People who are threatened with homelessness, on low income/benefits
- Those who are not able to afford a deposit for a private let
- Residents of Inverclyde

Exclusions

Exclusion of the scheme includes (but not limited to):

- Where the proposed property is deemed unaffordable, affordability is in line with Local Housing Allowance (LHA) rate awarded or based on detailed income assessment
- Applicants who demonstrate an unwillingness to save the deposit value with Tail O' the Bank Credit Union to give to the landlord once the scheme is over
- In the event of an outstanding debt owed to the Council, consideration may be given to an applicant where the person has maintained a repayment plan. This will be on a case by case basis subject to the approval of the Housing Advice and Homelessness Team Leader
- Properties where the Energy Performance Certificate EPC is lower than a Grade E

What the landlord needs to do

- Be on the Landlord Registration and ensure that property has been deemed to meet the criteria in The Repairing Standard defined by S.13 of the Housing (Scotland) Act 2006
- The property must not be subject to a Repairing Standard Enforcement Order
- The landlord must also have current building insurance in place and if the property is mortgaged the landlord must have permission to let it





- Deposit Bonds will only be granted in respect of a property where the Council is satisfied (i) that it is in a suitable location, (ii) the property is of a size (iii) the property meets the needs of the prospective applicant and (iv) affordable
- Deposit Bonds will not be granted in respect of properties where the landlord of the property is a 'resident landlord' and where the applicant would have no legal rights of occupation/security of tenure
- Deposit Bonds will not be issued where the tenancy has already commenced
- The operation of the DGS is for properties located within the Council's geographical boundaries
- The landlord must issue a valid tenancy agreement under The Private Housing (Tenancies) (Scotland) Act 2016, and comply with all relevant landlord and tenant regulations. The council will enter into separate agreements with both the landlord and the tenant respectfully in connection with the DGS.

What the applicant needs to do

- Be able to commit to a payment plan to save the amount required to provide the deposit sum after a 12 month period when the DGS is no longer in place. The applicant must agree to save this in Tail o' the Bank Credit Union and sign a written agreement to allow them to transfer the deposit to the landlord once the value of the deposit has been saved. The Council will only grant a Deposit Bond if the property is deemed affordable following an income and expenditure by the homeless service during housing options interview
- Be willing to accept support throughout the DGS by the Housing Advice team and subsequent referrals to other support services where appropriate





In the event of a claim

In the unfortunate event that a claim needs to be made during the tenancy, the landlord must make the claim within the 12 month period or within seven calendar days of the end of the tenancy. A subsequent inspection of the property will be undertaken to substantiate the claim and the results of the inspection will be compared to the pictures taken at the beginning of the tenancy. **The landlord will only be able to claim up to the value of the deposit on the property.**

No payments will be made under the DGS if;

- The tenancy is still running
- The Landlord has not notified the Council within seven calendar days of discovering an issue
- The Landlord does not make a claim within seven calendar days of knowing the applicant has vacated the property
- The Landlord is in breach of any of the terms in the DGS or tenancy agreement under The Private Housing (Tenancies) (Scotland) Act 2016 with regards to landlord registration and duties

What the Deposit Scheme doesn't cover

The DGS does not cover rent arrears, unpaid utility bills, court fees, damage to communal areas and fair wear and tear.

Examples of fair wear and tear, including but not limited to;

- Fading/furniture indentations to carpets
- Small scuffs/marks on walls
- Loose hinges/handles on doors
- Faded/cracked paint
- Frayed fabric/ faded curtain's
- Small tears/cracks on furniture
- Faded curtains
- Loose/tight tap handle

Please Note: The applicant will be pursued for any financial damages caused to the property



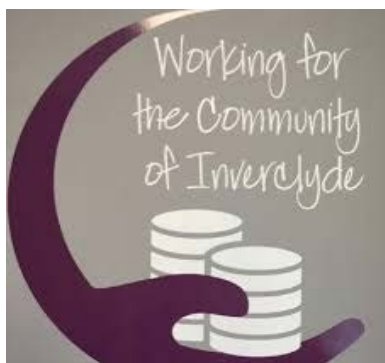


What support is available?

Throughout the 12 months when the DGS is running, support will be provided from the Homelessness Service for both the landlord and tenant and should any dispute arise, support mediation between the landlord and tenant.

Please note: it is the sole responsibility of the Landlord's to manage the tenancy and maintain the property.

Credit Union



Inverclyde Council has teamed up with Tail O' the Bank Credit Union to support the applicant in saving for a deposit to put in place once the 12 months' DGS has ended.

Inverclyde Council will pay the £10 upfront fee to enter into the credit union, but applicants must sign up to saving account to save their deposit. Under the agreement, applicants will have limited access to their savings account

in order to encourage saving for the deposit. During sign-up with Tail O' the Bank, the applicant must sign a written agreement giving permission that once the deposit value has been saved, it will be transferred directly to the landlord. Any money above the cost of deposit in the savings account can be accessed at any time.

Tail O' the Bank can advise the applicant of a range of savings options and loans that they offer and should be contacted directly for support.

Tail O' the Bank Credit Union

24 Kilblain Street, Greenock, PA15 1SR

Telephone: **01475 734 655**

Email: totb@live.co.uk





What happens at the end of 12 months?

During the 12 month period when the DGS is in place, it is expected that the applicant raises the money to pay the deposit to the landlord. Following the expiration of the 12 month period, the applicant must pay the deposit value to the landlord, which the landlord is then legally obligated to pay the deposit sum into one of the three national deposit guarantee schemes:

- [Letting Protection Service Scotland](#)
- [Safe Deposits Scotland](#)
- [mydeposits Scotland](#)

Once the DGS ends, Inverclyde Council's financial responsibilities under the scheme also end. Inverclyde Council may continue to support the applicant and assist the landlord after the scheme has ended, however the Council will not carry on with any formal responsibility that was established under the scheme.

Contact Information

Homelessness Services

Hector McNeil House, 7-8 Clyde Square, Greenock, PA15 1NB

Telephone: **01475 715 378**

Email: homelessness.services@inverclyde.gov.uk

Out of Hours Service: **01475 715 880**



Deposit Guarantee Scheme (DGS)

Minute of Agreement

between

Inverclyde Council

Address.....

.....

..... Post code.....

(“The Council”)

and

Landlord name.....

Address.....

.....

..... Post code.....

Landlords Registration Number.....

(“the Landlord”)

In respect of the Landlord's let to

Name of Tenant.....

.....

(“the Tenant”)

Of the Property known as and forming

Address of Property.....

.....

..... Post code.....

(“the Property”)

The official terms of the let are contained in a written Private Residential Tenancy agreement (the “Tenancy Agreement”) which fully complies with the requirements of the Private Housing (Tenancies) (Scotland) Act 2016, a copy of which will be delivered by the Landlord to Inverclyde Council within 14 days of a written request by the Council.

The Landlord and the Council hereby agree as follows

The Council agrees to use reasonable endeavours to:

- (1) Provide a guarantee Bond (“Bond”) on behalf of the Tenant in lieu of the Tenant providing a deposit to the Landlord. The Bond will indemnify the Landlord up to a maximum level of £ (**insert Bond amount**) in the event that the Tenant:
 - causes damage to the Property and the Bond is required by the Landlord to reinstate the Property to the same condition as existed at the commencement of the lease, fair wear and tear excepted, but only in the event that the claim is not covered by insurance arranged by the Landlord for any insured risks. The Landlord acknowledges and agrees that it shall provide all necessary vouching in relation to the reinstatement of the Property to the same condition as existed at the commencement of the lease as may be reasonably requested by the Council.
- (2) Help the Tenant in maintaining their tenancy by offering and where appropriate providing support (provided that the Landlord acknowledges that this is dependent on the availability of support workers and the co-operation of the Tenant);
- (3) Ensure that the Tenant is encouraged and assisted to provide all the necessary information to the Private Sector Housing Benefit Section to enable any claim for Local Housing Allowance (“LHA”) to be processed

The Landlord agrees that:

- (1) the decision to let the Property to the Tenant is the Landlord’s alone and that the Council gives no warranty or makes no representations as to the suitability of the Tenant, the conduct, past or present of the Tenant, or the credit worthiness or financial standing of the Tenant;
- (2) (i) the Landlord is registered as a Landlord with the Council’s landlord registration service in terms of the Private Rented Housing (Scotland) Act 2011;
(ii) the Landlord will fulfil its obligations under the Private Housing (Tenancies) (Scotland) Act 2016 including, but not limited to entering into a written Private Residential Tenancy Agreement with the Tenant as defined in the said 2016 Act; and
(iii) the Landlord holds any required licence relating to multiple occupancy, in terms of the Housing (Scotland) Act 2006.
- (3) To the best of their knowledge and belief there are no legal proceedings proposed which may relate to the Landlord’s possession or ownership of the Property;
- (4) The Property is not under offer of sale or been sold and the Landlord is the registered owner or proprietor of the Property in terms of the Property’s title
- (5) where the Property is mortgaged, the mortgage lender has given their written permission for the Property to be let and such written permission will be produced to the Council within 14 days of a written request by the Council;

- (6) There is an up to date valid gas and electrical safety certificates for the Property issued by respectively an authorised Gas Safe engineer or qualified electrician respectively;
- (7) the Property is in good and tenable condition and repair and meets the Repairing Standard laid down in Section 13 of the Housing (Scotland) Act 2006* at the start of the tenancy and at all times throughout the tenancy; This includes all building regulations and applicable Fire, Health and Safety requirements, including a requirement for a smoke detection device which complies with building regulations and complies with Guidance issued by Scottish Ministers on the provision for detecting fire and for giving of warning in the event of fire or suspected fire and the Property has a current energy performance certificate;
- (8) The Property is adequately insured under an appropriate landlord's insurance policy against the normal insurable risks and the Landlord undertakes to produce evidence of such cover on request by the Council and to produce on request details of any claims made on that cover within 14 days of the date of any written request by the Council. The Landlord gives authorisation for the Council to obtain information from the insurance company regarding the claim;
- (9) That the Tenant has not moved into the Property before the written inventory referred to in point (4) below has been prepared and the Tenancy Agreement has been signed by the Landlord and the Tenant.

The Landlord further agrees to:

- (1) Accept the written 'Bond' in lieu of a deposit from the Tenant;
- (2) ensure that the Tenant is fully advised of his/her rights and responsibilities as a Tenant;
- (3) meet with the Tenant and representatives from the Council prior to the commencement of the lease to: (i) allow an inspection of the Property to be carried out by the Tenant and the Council; and (ii) prepare a written inventory of the contents of the Property which shall be agreed with the potential Tenant and the Council prior to the let being agreed;
- (5) Provide within 14 days of any written request by the Council the agreed written inventory with the Tenant and photographic evidence on the condition of the Property at the date of signing the DGS documentation;
- (6) permit the authorised representative of the Council access to the Property at any reasonable time to investigate any claim by the Landlord under the Bond;
- (7) insure the Property and its contents and keep the Property and contents insured against damage caused by the Tenant and normal insurable risks and to claim against any insurance policy whenever it is reasonable to do so; The insurance policy and the payment receipts for that cover will be produced to the Council within 14 days of any written demand by the Council.

- (8) not to object to the Tenant making arrangements for the rent to be paid in whole or in part by LHA and to accept such payments in respect of the rent and not to seek to enforce the terms of the Tenancy Agreement or to charge interest by reason only of the fact that LHA payments in respect of rent payments are received after the date upon which the rent was due to be paid;
- (9) Keep an accurate record of rent received in respect of the tenancy, both by way of any LHA payments and payments by the Tenant and to issue receipts for the latter;
- (10) Notify the Council within 14 days of the occurrence of potential problems, which include but are not exclusive to the following:
 - (a) any rent arrears;
 - (b) any dispute with the Tenant;
 - (c) any legal action proposed to be taken;
 - (d) any issue that may pose a risk to the rent deposit Bond
 - (e) any application to the Private Rented Housing Panel for determination in terms of Section 22(1) of the Housing (Scotland) Act 2006;
 - (f) any referral of the Landlord to the fit and proper person panel of the Council's landlord registration service
- (11) notify The Council immediately a notice to quit is served on the Tenant or if the tenancy ends, whichever happens first, setting out the circumstances and reasons under which the tenancy has ended or will end;
- (12) respond to all enquiries from the Council concerning the tenancy within 14 days of any written request;
- (13) Pay the mortgage, if any, on the Property on the due date and not to run up arrears.
- (14) Instruct annual gas and electricity safety checks from authorised Gas safe and qualified electrical engineers confirming that the Property meets the Repairing Standard.

*The **Repairing Standard** is the general quality and letting standard applied to properties in the private rented sector. A house meets the Repairing Standard if:

- It is wind and watertight and in all other respects is reasonably fit for human habitation.
- The structure and exterior of the house (including drains, gutters and external pipes) are in reasonable state of repair and in proper working order.
- The installations in the house for the supply of water, gas and electricity and for sanitation, space heating and heating water are in a reasonable state of repair and in proper working order.
- Any fixtures, fittings and appliances provided by the Landlord under the tenancy are in a reasonable state of repair and in proper working order.
- Any furnishings provided by the Landlord under the tenancy are capable of being used safely for the purpose for which they were designed, and

- The house has satisfactory provision for detecting fires and for giving warning in the event of fire or suspected fire.

Termination

This agreement shall be terminated and any undertaking shall lapse if:

- (1) the Landlord disposes of the Property by sale or otherwise;
- (2) any information given by the Landlord is found to be inaccurate in a material way;
- (3) the Landlord commits any act of harassment or illegal eviction;
- (4) the Landlord is in breach of any terms or obligations under this agreement;
- (5) the Landlord is deregistered under the Council's landlord registration system; or
- (6) the Landlord is found by a Private Rented Housing Committee to have failed to comply with a Repairing Standard Enforcement Order

If this agreement terminates then any right of a Landlord to receive indemnity under the Bond will also terminate.

Homelessness Service shall inform the Landlord and Tenant in writing of its decision to terminate the agreement.

Notices

Any notice to the tenant or the Landlord under this agreement shall be sent to the Homelessness Service Team Lead at;

**HSCP, Casework Services and Operations,
Homelessness Service
30 King Street
Greenock,
Inverclyde
PA15 1NL**

This agreement sets out the entire agreement between Inverclyde Council and the Landlord. No further obligations on the part of Inverclyde Council shall be implied into this agreement.

No representation or warranty is made by Inverclyde Council and no duty of care shall exist or arise between Inverclyde Council and the Landlord in relation to the suitability or otherwise of any Tenant to whom the Landlord lets the Property.

Inverclyde Council has given no warranty or representation in relation to the condition of the Property and has no responsibility for any default by the Landlord regarding the terms of the Tenancy Agreement.

Signed..... Date of signing.....
(Landlord)

Signed..... Date of signing.....
(On behalf of Inverclyde Council and HSCP)

Deposit Guarantee Scheme

Applicant agreement

This agreement is made between Inverclyde Council and

.....

(The Applicant)

Date:

Following assessment of the property and a satisfactory interview with the Applicant, Inverclyde Council agrees to;

1. Issue a guarantee to the Landlord agreeing to meet the cost of any damage to a total maximum of the equivalent of one month's rental for the property, in this case £_____. This sum would cover damage caused by the Applicant to the property and the furnishings and fittings therein. Any additional cost out with the bond agreement will be repaid by the Applicant.
2. Support the Applicant in settling into the rented accommodation and to continue to offer support over the course of the Deposit Guarantee Scheme (DGS) and should any dispute arise, facilitate in any mediation between the Applicant and the Landlord
3. To keep its relationship with the Landlord and applicant separate and keep all information relating to the Applicant complete confidential

Following a successful application under the deposit guarantee scheme and the acceptance a tenancy by the applicant, the Applicant agrees to;

1. Keep to the terms of the tenancy agreement between themselves and the landlord including; but not limited to; paying rent, bills/utilities, council tax and any other changes not covered by the Local Housing Allowance(LHA)
2. To keep an adequate record of rent paid to the Landlord
3. Claim LHA (if eligible) at the beginning of the tenancy and ensure that you provide all necessary documentation to avoid delay
4. Notify the Landlord of the progress of any LHA claim made by the Applicant
5. Inform Inverclyde Council and the Landlords of any change in circumstance which might affect the tenancy in any way

6. Notify Inverclyde Council once the tenancy ends or if a notice to terminate is issued by the Landlord to the Applicant, whichever is earlier.
7. Give Inverclyde Council access to the property before commencement of the tenancy to allow them to inspect it and take an inventory of the contents and their conditions, which is to be agreed and signed by both the Landlord and Applicant
8. Allow access to the accommodation within a reasonable time agreed to investigate any claims made by the Landlord
9. Commit to saving the deposit value of £_____ to give the landlord once the deposit guarantee scheme has ended.
10. Save all money in Tail O' the Bank Credit Union and sign a written agreement to enable fund to be transferred directly to the landlord once the value of the deposit has been raised.
11. Acknowledge that the Applicant is personally responsible for any loss or damage to the property either committed by the Applicant or a visitor, notwithstanding the fact that Inverclyde Council has given a guarantee to the Landlord under the DGS.
12. Acknowledge that (i) Inverclyde Council will only indemnify the Landlord against any damage subject to the conditions of and up to the value of the guarantee bond issued under the DGS and (ii) in the event that the value of a claim made by a Landlord exceeds the guarantee bond sum, the Applicant will be personally responsible to the Landlord for that portion of the claim which exceeds the said guarantee bond sum.
13. Acknowledge that if a claim is made under the DGS, Inverclyde Council may recharge the Applicant for any payments made to the Landlord in the event of a claim under the DGS being made by the Landlord and that in the event of any such claim by the Landlord, the Applicant will be disqualified from any further consideration in connection with further applications for assistance under the DGS.

This agreement sets out the entire agreement between Inverclyde Council and the Applicant. No representation or warranty is made by Inverclyde Council, and no duty of care shall exist or arise between Inverclyde Council and the Applicant in relation to the suitability or otherwise of any Landlord to whom the Applicant is introduced or in relation to the suitability of any accommodation taken up by the Applicant. Inverclyde Council shall have no liability under the terms of this agreement other than in accordance with the guarantee given in terms of the DGS referred to above. In addition, Inverclyde Council has given no warranty or representation to the condition of the property and has no responsibility for any default by the Landlord in relation to the terms of the tenancy agreement entered into between the Applicant and the Landlord.

I understand that I have read and understood the terms of this agreement and agree to be bound by the terms herein.

Signed _____ Date _____
(Applicant)

Signed _____ Date _____
(On behalf of Inverclyde Council)

Witnessed by:

(For and on behalf of Inverclyde Council)

Date: _____



DEPOSIT GUARANTEE SCHEME

This Deposit Guarantee is given on the provision that the lender becomes a member of Tail O' The Bank Credit Union and complies with the Loans Policy of Tail O' The Bank Credit Union. All payments of the Deposit Guarantee will be reimbursed to the member's Landlord.

The member must agree to save at least £1 per week whilst repaying back their Deposit Guarantee. The member will be eligible to borrow from Tail O' The Bank Credit Union once the Deposit Guarantee has been repaid back in full and if they have accumulated savings in their account. Any savings made to the member's account cannot be withdrawn until their Deposit Guarantee has been paid in full.

Landlord's Name:

Landlord's Contact Detail's:

Landlord's Bank Details:

Account Number.....Sort Code Number.....

Members Number:

Members Signature:

Members Address:

.....

Credit Union Witness:

Date:

Equality Impact Assessment

This document should be completed at the start of policy development or at the early stages of a review. This will ensure equality considerations are taken into account before a decision is made and policies can be altered if required.

SECTION 1 - Policy Profile

1	Name/description of the policy, plan, strategy or programme	Deposit Guarantee Scheme
2	Responsible organisations/Lead Service	HSCP - Homelessness
3	Lead Officer	Deborah Gillespie
4	Partners/other services involved in the development of this policy	Environment & Public Protection Service – Housing Strategy and Tail 'o' the Bank Credit Union.
5	Is this policy:	New <input checked="" type="checkbox"/> Reviewed/Revised <input type="checkbox"/>
6	What is the purpose of the policy (include any new legislation which prompted the policy or changes to the policy)?	Support all people who have difficulty finding a deposit to rent a good quality home.
7	What are the intended outcomes of the policy?	Prevent homelessness, tenants have easier access to good homes and encourage a savings culture.
8	Geographical area (Inverclyde wide or a specific location)	Inverclyde wide
9	Is the policy likely to have an impact on any of the elements of the Council equality duty (if yes, please tick as appropriate)?	<input checked="" type="checkbox"/> Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010 <input checked="" type="checkbox"/> Advance equality of opportunity between people from different groups <input checked="" type="checkbox"/> Foster good relations between people from different groups
10	Will those who may be directly or indirectly affected by this policy be involved in its development?	Not directly but preventing homelessness is the main focus of this scheme.

SECTION 2 – Impact on Protected Characteristics

Which of the protected characteristics will the policy have an impact upon? (see guidance for examples of key considerations under each characteristic)

Protected Characteristic	Impact					Reason/Comments
	Positive High	Low	Neutral	Negative High	Low	
Age		X				All have access to this scheme
Disability	X					While all will have access to the scheme, it is known that a number of underlying issues may underpin homelessness including, for example, mental health problems
Gender reassignment		X				All have access to this scheme
Marriage and civil partnership		X				All have access to this scheme
Pregnancy and maternity		X				All have access to this scheme
Race		X				All have access to this scheme
Religion or belief		X				All have access to this scheme
Sex (male or female)		X				All have access to this scheme
Sexual orientation		X				All have access to this scheme
Other groups to consider (please give details) Financially vulnerable	X					While all will have access to the scheme, it is known that a number of underlying issues may underpin homelessness including, for example, financial debt. It is also known that homeless households are generally more vulnerable and appear to be disproportionately affected by Welfare Reform compared to other groups.

SECTION 3 – Evidence

What evidence do you have to help identify any potential impacts of the policy? (Evidence could include: consultations, surveys, focus groups, interviews, projects, user feedback, complaints, officer knowledge and experience, equalities monitoring data, publications, research, reports, local, national groups.)

Evidence	Details
Consultation/Engagement (including any carried out while developing the policy)	Officers of HSCP and other Council Services engage continually with tenants and the homeless to support them to find decent homes and help them before they reach crisis point
Research	Similar schemes are effective in other council areas as a tool to help prevent homelessness.
Officer’s knowledge and experience (including feedback from frontline staff).	Officers of HSCP and Council engage continually with tenants and the homeless to support them to find decent homes.
Equalities monitoring data.	Homelessness team monitor client type.
User feedback (including complaints)	Clients find it difficult to raise a deposit and often settle in poor accommodation that requires no deposit. Uptake of the scheme will be reviewed.
Stakeholders Other	Those who are homeless or are home vulnerable, landlords, HSCP, Council.
What information gaps are there?	Because the proposed Scheme is a pilot, it unclear at present how many people will be eligible or chose to participate in it.

SECTION 4 – CONSEQUENCES OF ANALYSIS

What steps will you take in response to the findings of your analysis? Please select at least one of the following and give a brief explanation.		
1. Continue development with no changes		
2. Continue development with minor alterations	X	Depends on the uptake and reasons why this may vary
3. Continue development with major changes		
4. Discontinue development and consider alternatives (where relevant)		
How will the actual effect of the policy be monitored following implementation?		
This is a pilot scheme, level of uptake will be monitored and any changes to the scheme will reflect this.		
When is the policy due to be implemented?		
April 2019		
When will the policy be reviewed?		
Pilot scheme will run for 18 months		
What resources are available for the implementation of this policy? Have these resources changed?		
£6300 to cover bad debt and current officer time.		

Name of Individual(s) who completed the Assessment

Name(s): Drew Hall
Position: Service Manager
Date: 11th February 2019

Authorised by

Name:
Position:
Date:

Please send a copy of all completed forms to Karen Barclay, Corporate Policy Officer at karen.barclay@inverclyde.gov.uk