

EAST AYRSHIRE COUNCIL

HOUSING COMMITTEE - 21 MARCH 2007

DEPOSIT GUARANTEE SCHEME (DiGS)

Report by Executive Director of Neighbourhood Services

1. PURPOSE OF REPORT

- 1.1 To advise members of the progress of the Deposit Guarantee Scheme (DiGS).

2. BACKGROUND

- 2.1 Following the evaluation of a successful pilot scheme it was agreed by this Committee on 3 November 2004 to:
- (a) expand the Deposit Guarantee Scheme to take up to 50 properties; and
 - (b) give approval to the Housing Service to enter into discussions with the appropriate social or voluntary organisations to identify a suitable partner for the management of the scheme.
- 2.2 The scheme was put out to tender in December 2004 and The Community Housing Advocacy Project (CHAP) was awarded the contract from June 2005 to June 2007.

3. PROGRESS OF THE SCHEME

- 3.1 Since the inception of the scheme:
- **116** people have been assisted to access private rented accommodation;
 - **64** people are currently in accommodation with a guarantee in place;
 - The amount of claims made on deposits equates to **12.98%** (with the national average being 18%);
 - **75%** of tenants are making payments towards their deposits; and
 - **78** landlords have offered properties to the scheme.

4. MONITORING OF THE SCHEME

- 4.1 A project evaluation and steering group was established with representation from Housing, CHAP, Social Work, Citizens Advice Bureau, Housing Benefit and Private Sector Landlords. All landlords and tenants who have been

assisted by the scheme are polled to obtain feedback on the effectiveness of the scheme.

- 4.2 The project steering group meets on a 4-6 weekly basis and receives an update on progress from the Community Housing Advocacy Project (CHAP) staff.
- 4.3 All tenants being supported by the scheme receive regular home visits and all properties have been inspected by the CHAP scheme Coordinator to ensure they provide good quality accommodation.
- 4.4 Regular progress reports are issued to all key stakeholders on a quarterly basis.

5. CURRENT PROPOSALS

- 5.1 Given the progress made since the inception of the scheme it is proposed to extend the scheme initially for a period of one year from June 2007 on the basis of available committed funding with the option to extend any contract awarded for further periods of one year to allow for a maximum contract award of 3 years. The proposed contract will be tendered on an open basis in accordance with the provisions of paragraphs 7(1) and (2) of the Council's Standing Orders Relating to Contracts.

6. FINANCIAL IMPLICATIONS

- 6.1 The Deposit Guarantee Scheme is currently funded through Homeless Task Force funding which has been confirmed to March 2008. In addition there is funding from available departmental budgets to meet additional costs for the period to June 2008.
- 6.2 It is proposed therefore as indicated in 5.1 above that the contract be awarded initially for a period of one year with the option to extend for two separate one year periods subject to funding being available.
- 6.3 Given the existing funding commitment and the provisions relative to the option to extend there will therefore be no direct financial implications to the Authority.

7. LEGAL / AUTHORITY IMPLICATIONS

- 7.1 Any contract awarded will be awarded in accordance with the provisions of the Council's Standing Orders Relating to Contracts following an open tendering process as provided for in paragraphs 7 (1) and (2) thereof and the relevant European Procurement Regulations.

8. POLICY IMPLICATIONS

- 8.1 The continuation of Deposit Guarantee Scheme supports the objectives set out in the Council's approved Local Housing Strategy and Homelessness Strategy and the East Ayrshire Community Plan.

9. RISKS MANAGEMENT IMPLICATIONS

- 9.1 Failure to maintain the Deposit Guarantee Scheme service will reduce the housing options available to those on a low income and in housing need.

10. CONCLUSIONS

- 10.1 The current scheme has established the need for a rent deposit guarantee scheme. It is clear from the number of clients currently within the scheme, that the continuation of the scheme will assist the Council in meeting their objectives and the needs of clients across East Ayrshire.

- 10.2 The scheme has therefore met the following objectives:

- widening choice for clients;
- enabling clients to access the private rented sector;
- assisting in the prevention and alleviation of homelessness; and
- developing and improving working relations between East Ayrshire Council and the Private Rented Sector.

11. RECOMMENDATIONS

- 11.1 The Committee are recommended to:

- (i) approve the proposal set out in Paragraph 5 above to continue the Deposit Guarantee Scheme subject to available funding; and
- (ii) otherwise note the contents of the report

William Stafford
Executive Director of Neighbourhood Services

CMCA/LC/LA

26 February 2007

LIST OF BACKGROUND PAPERS

1. National Rent Deposit Forum Research 2002
2. Housing Committee report 19 May 2004
3. Housing Committee report 3 November 2004

Any person wishing to inspect the background papers listed above should telephone 01563 576617 and ask for Joseph Cassidy, Policy Manager.

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