

**To: City Executive Board**

**Date: 14 July 2016**

**Report of: Housing Panel (Panel of the Scrutiny Committee)**

**Title of Report: Review of Lord Mayors Deposit Guarantee Scheme**

### **Summary and Recommendations**

**Purpose of report:** To present the recommendation of the Housing Panel on the Review of Lord Mayors Deposit Guarantee Scheme.

**Scrutiny Lead Member:** Councillor David Henwood

**Executive lead member:** Councillor Mike Rowley, Board Member for Housing

**Recommendation** of the Housing Panel to the City Executive Board:

**That the City Executive Board states whether it agrees or disagrees with the recommendation set out in the body of this report.**

### **Introduction**

1. The Housing Panel pre-scrutinised the Review of Lord Mayors Deposit Guarantee Scheme decision at its meeting on 7 July 2016. The Panel would like to thank Stephen Clarke and David Rundle for attending the meeting and answering questions.

### **Summary and recommendation**

2. The Private Rented Sector Team Leader introduced the report. He said the scheme had been introduced 23 years ago and was last reviewed 8 years ago. The proposal was to enhance the scheme by offering an increased bond above Local Housing Allowance (LHA) rates, which were significantly below market rents in the City, and also offering a loan equating to 6-8 weeks rent in advance.
3. The Panel strongly supported the scheme and the proposed enhanced offer and questioned why the Private Rented Sector Team had only been able to help eight

households last year given that 252 assessments had been undertaken. The Panel heard that the market had shrunk in recent years and that refusals were largely due to landlords rejecting applicants. A survey last year had revealed that only 5% of landlords and agencies would accept Housing Benefit claimants, despite 70% of this group being in work. Applicants with rent arrears would also be refused unless they had a repayment plan in place. Applicants were required to find properties themselves and needed to be motivated to encourage landlords to take them on but were signposted to ‘tenant ready’ courses.

4. The Panel questioned the level of funding available for the scheme and the risk of the enhanced offer being suspended due to lack of funds. The Panel heard that the scheme was funded from a one-off £50k reserve and that expenditure would be monitored in-year. The expenditure and the number of clients assisted would be reviewed and reported annually. The Panel suggest that a report should come to the City Executive Board and Scrutiny after one year so that if necessary, any funding changes could be picked up in the following budget round.

***Recommendation – That after the pilot year a review of the enhanced offer including expenditure, the number of clients assisted and refusal reasons is reported to the City Executive Board.***

**Name and contact details of author:-**

Andrew Brown on behalf of the Scrutiny Committee  
Scrutiny Officer  
Law and Governance  
Tel: 01865 252230 e-mail: [abrown2@oxford.gov.uk](mailto:abrown2@oxford.gov.uk)

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