

To: City Executive Board
Date: 12 February 2019
Report of: Scrutiny Committee
Title of Report: Scrutiny Committee Recommendation on the Rent Guarantee Scheme

Summary and recommendations	
Purpose of report:	To present a Scrutiny Committee recommendation concerning the Rent Guarantee Scheme.
Key decision:	Yes
Scrutiny Lead Member:	Councillor Andrew Gant, Chair of the Scrutiny Committee
Executive Board Member:	Councillor Linda Smith, Board Member for Leisure and Housing.
Corporate Priority:	Meeting Housing Needs;
Policy Framework:	Housing and Homelessness Strategy 2018-21
Recommendation: That the City Executive Board states whether it agrees or disagrees with the recommendation in the body of this report.	
Appendix 1: City Executive Board draft response – <i>to follow as a supplement</i>	

Introduction and overview

1. At its meeting on 5 February 2019, the Scrutiny Committee considered a report which reviewed the Oxford Rent Guarantee Scheme Report and recommended the principle of adopting the Scheme as “business as usual” for the Council. The Committee would like to thank Councillor Smith, Board Member for Leisure and Housing, Paul Wilding (Systems Change Manager - Homelessness prevention), David Rundle (Private Rented Team Leader) and Adela Miencilova (Private Rented Housing Coach) for attending to support the meeting.

Summary and recommendation

2. The Committee heard from the Board Member about the Rent Guarantee Scheme’s (“the Scheme”) relationship with the Council’s wider homelessness prevention work.

The Committee welcomed the principal of the Scheme and its work to date, noting that there had been success in retaining all of the landlords that entered into the Scheme since it was initiated. It was noted that there were limited numbers of landlords taking part in the Scheme, which in turn limits the amount of families the Council can support through the Scheme. This is in part because some landlords prefer the higher rental rate in the open market, which does not offer the same guarantees of income offered by the Scheme.

3. The Committee notes with regret that the increasing need for this Scheme is driven by a history of cuts made by Central Government and the County Council concerning housing benefit, the Supporting People Fund and social care services. As a recent study published in the British Medical Journal explains, “Austerity policies have meant that, since 2010, the funding available for supporting vulnerable people with their housing has been cut by 59% in real terms.”¹
4. The National Audit Office also highlighted recently that capping the Local Housing Allowance has been a key driver for the national rise homelessness.² In the context of Oxford’s challenging housing market, this cap has been particularly detrimental to residents, as market rents are significantly higher than the Local Housing Allowance rates that tenants on low incomes can claim.
5. Provision in the Draft 2019/20 Budget has already been made to continue the Scheme as business as usual. However, there are long term challenges, discussed in detail in the Budget Review Groups report, for financing homelessness prevention work by the end of the Medium Term Financial Plan. Specifically, the Homelessness Reserves will reduce from £3,234,369 in 2019/20 to £796,843 in 2022/23. The Committee sought assurance that contingency plans would be put into place for year five, and this would be a priority for the their Work Plan in 2019/20. It was noted that the provision of short term one-off grants from Central Government, while very welcome, caused difficulties for long term financial planning.
6. The Committee discussed the impact that Universal Credit is having, and would have in future years, on the Scheme. It was noted that Universal Credit would help the Council in reducing arrears, as payments could be made directly to the Council as a landlord. Concerns were raised about the impact of Universal Credit more generally, and how in some cases it had served to disadvantage people, leaving them without payments for five weeks. Whilst the Committee saw value in recommending that a full impact assessment of Universal Credit be undertaken, it was judged that this may be more appropriate as a review group idea for the Committee in 2019/20.
7. It is understood that a bid has been made to Central Government to secure additional funding to expand the Rent Scheme to include single people and couples. Currently, the Scheme does not extend to these groups, which principally make up the rough sleeping population in Oxford. It is recognised however that this is because the Council’s primary statutory duty is towards families in priority need.

¹ Fransham, M. and Dorling, D, 2018. Homelessness and public health, The British Medical Journal. (p.3)

² National Audit Office. Homelessness, 2017. Available at: <https://www.nao.org.uk/wp-content/uploads/2017/09/Homelessness-Summary.pdf>

8. The Committee discussed how the Scheme linked with the Lord Mayor's Deposit Guarantee Scheme. The Lord Mayor 's Scheme aims to help people who are in need of housing and on low incomes to afford to move into private rented accommodation. This is done through the Council issuing a Deposit Guarantee Bond to a landlord to cover rent arrears or damage caused by tenants to a property. This means that potential tenants on a low income do not have to raise a sum of money for the deposit in addition to the rent.

9. Just as the Lord Mayor's Scheme guarantees a deposit for prospective tenants, the Rent Scheme guarantees landlords three months' rent in advance. However, the Lord Mayor's Scheme is also open to single people and couples, whereas the Rent Guarantee Scheme is only open to families. The Committee believe that the Council's position on these two schemes could therefore be more aligned to better benefit single people and couples in the most need.

Recommendation 1: That the City Executive Board:

- a) **Notes that the Rent Guarantee Scheme applies to families only; not single people or couples, who are most risk at risk of rough sleeping.**

- b) **Considers how the Council might extend the Scheme so that it applies to at-risk single people and couples, and that this expansion is integrated in with the Lord Mayor's Deposit Guarantee Scheme, which performs a similar function but applies to single people and couples.**

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