

**Private Sector  
Lettings**

**Housing  
Options  
Centre**

**We can  
guarantee an  
amount up to  
the maximum of  
one month's rent  
as a deposit on  
private rented  
accommodation**



# **Rent Deposit Guarantee Scheme**

**for singles and childless couples**

# What is the Rent Deposit Guarantee Scheme?

The Rent Deposit Guarantee Scheme is designed to help single people or childless couples on low incomes or in receipt of benefits to find private rented accommodation in the Leicester area. The Rent Deposit Guarantee Scheme can do this by guaranteeing a deposit with a private landlord.

## Who can apply under the scheme?

To be considered for the scheme you must;

- be homeless or threatened with homelessness;
- have a local connection with the City, (minimum 6 out of 12 months resident in the City in any type of accommodation, either temporary or permanent);
- be on a low income, or in receipt of, or entitled to claim income support, job seekers' allowance or housing benefit. Proof of wages or entitlement are required;
- be capable of keeping a tenancy and must understand the responsibilities of being a tenant.

## Suitability of accommodation

Before a property is let under the Rent Deposit Guarantee Scheme the Council will request a valid copy of the following documents;

- Gas Safety Certificate
- Electrical Periodic Inspection Report (if there is no gas supply)
- Energy Performance Certificate
- Building Insurance Certificate

An officer from the Housing Options team will conduct a visit to the property to ensure that it is in a reasonable standard. If there are any issues or concerns around the condition of the property, the property will be referred to the Private Sector team in order to conduct a full health and safety inspection.

Any works highlighted would need to be completed prior to proceeding with the property as part of the schemes.

## Length of tenancy

Most of the tenants assisted under the Rent Deposit Guarantee Scheme will want to remain in their home for as long as possible. Others will be hoping for an improvement in their situation, so will only need accommodation for up to a year. Under the Rent Deposit Guarantee Scheme, tenants will normally take on an assured shorthold tenancy for at least 6 months.

## How much is the Rent Deposit Guarantee?

- The Rent Deposit Guarantee Scheme will guarantee an amount up to the maximum of one month's rent as a deposit. This amount cannot be higher than the 1 bed local housing allowance rates which is currently set at £375.01 per month.
- No money is paid to the landlord at the beginning of the tenancy, instead the landlord and the tenant will enter into a legal agreement with the Council. If the tenancy ceases within the fixed term, landlords can submit a claim under the scheme for compensation up to a maximum of the agreed amount.

**The Rent Deposit Guarantee is valid for a 6 month period only.**

## What does the Rent Deposit Guarantee cover?

The Rent Deposit Guarantee will cover an agreed amount for either or a combination of the following;

- Accidental damage or theft to furniture, fixture or fittings.
- Rent arrears, net of local housing allowance payable.

## What does the Rent Deposit Guarantee NOT cover?

- Any over / under payment of the housing benefit that is the responsibility of the tenant.
- Services that the tenant is responsible for, such as gas, electricity, water rates, TV licence etc.
- Damages resulting from fair wear and tear to

- the furniture, fixtures or fittings.
- Rent when the property is empty.
- Items not covered in the inventory.

## Local Housing Allowance

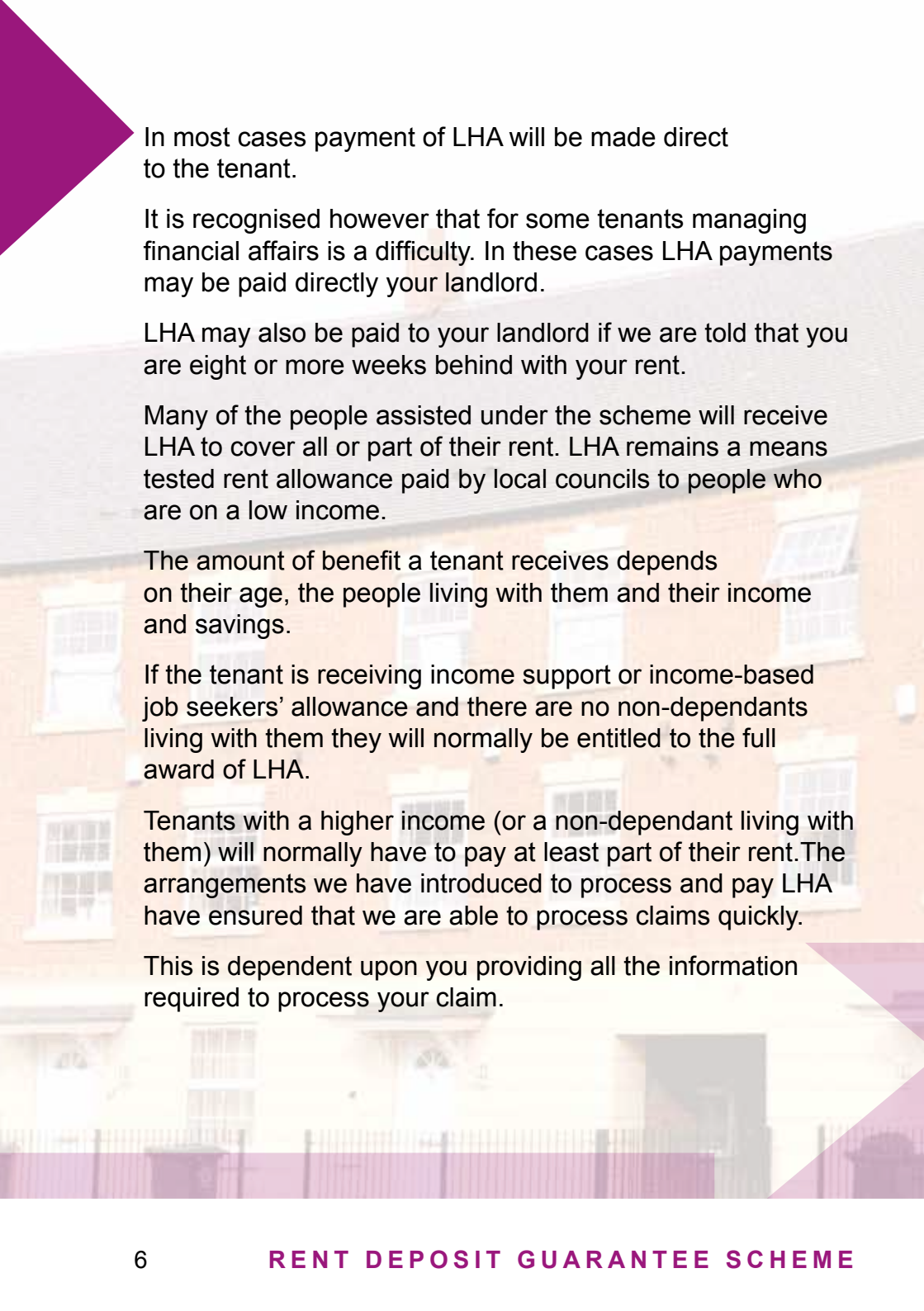
The Local Housing Allowance (LHA) is the new name for housing benefit and initially the scheme will affect tenants and landlords of privately rented accommodation. The scheme has been designed to be a fairer and simpler way of working out benefit for people on a low income. LHA came into affect on 7th April 2008.

### Who will be affected?

- Private tenants making a new claim for housing benefit.
- Existing claimants who change address to a private tenancy.
- Claimants in private rented accommodation who have a break in their existing claim for benefit. The LHA is a flat rate housing allowance and the number of people who live with you will be used to work out how many bedrooms you need.

One Bedroom each for:

- every adult couple
- any other adult aged 16 or over
- any two children (aged under 16) of the same sex
- any two children, regardless of sex, under the age of 10
- any other child.



In most cases payment of LHA will be made direct to the tenant.

It is recognised however that for some tenants managing financial affairs is a difficulty. In these cases LHA payments may be paid directly your landlord.

LHA may also be paid to your landlord if we are told that you are eight or more weeks behind with your rent.

Many of the people assisted under the scheme will receive LHA to cover all or part of their rent. LHA remains a means tested rent allowance paid by local councils to people who are on a low income.

The amount of benefit a tenant receives depends on their age, the people living with them and their income and savings.

If the tenant is receiving income support or income-based job seekers' allowance and there are no non-dependants living with them they will normally be entitled to the full award of LHA.

Tenants with a higher income (or a non-dependant living with them) will normally have to pay at least part of their rent. The arrangements we have introduced to process and pay LHA have ensured that we are able to process claims quickly.

This is dependent upon you providing all the information required to process your claim.

## Energy Performance Certificate (EPC)

If you are a new tenant seeking to rent accommodation then you need to be aware that Landlords are required to provide an Energy Performance Certificate (EPC) for all private accommodation offered for rent after 1st October 2008.

An Energy Performance Certificate is similar to the labelling found on many household appliances with a grading from A to G (A being very efficient with lower running costs and G being more inefficient and expensive to run).

The certificate is intended to give new tenants information about the energy efficiency of properties and help you to make green choices by comparing energy costs between homes.

For dwellings to be rented out, the landlord is responsible for ensuring a valid certificate is available to all prospective tenants and that it is provided for the incoming tenant before a contract / tenancy agreement is made.

The Energy Performance Certificate has a lifespan of 10 years but new certificates can be issued following any energy efficiency improvement works.

A copy of the EPC should be made available to the incoming tenant each time the tenancy changes.

## Landlord responsibilities

All landlords have a duty to maintain their accommodation in a good state of repair and in a safe and habitable condition. They must ensure the safety of the gas supply, electrical installation and any gas or electrical appliances.

An annual gas safety certificate must be obtained and all furniture and furnishing must comply with current fire regulations.

At the beginning of the tenancy, landlords should produce a detailed inventory, recording the condition of the property and its contents. They should provide their tenants with a copy of the inventory and tenancy agreement.

Expert advice and copies of the *Essential Guide for Landlords* can be obtained from the Private Sector Housing team at Leicester City Council.

**Landlords cannot and must not request any fees or impose charges alongside the scheme. This includes an admin fee, holding fee, maintenance charges, and rent in advance etc.**

## Use of the Rent Deposit Guarantee Scheme

The Rent Deposit Guarantee Scheme offers single people or childless couples the opportunity to obtain private rented accommodation in the area of their choice, close to schools, employment and family support.

When you have found a suitable property a member of the Housing Options Team will need to be contacted.



They will contact the landlord to discuss the possible use of the Rent Deposit Guarantee Scheme. The team will want to confirm the size of the property, the rent payable, the length of the tenancy and the landlord's intentions with regard to future lettings.

If everything is in order the Housing Options team will arrange an inspection of the property.

A letter will be sent to the landlord confirming the nature of assistance the Council is prepared to offer under the scheme. Assistance is conditional on the property being safe and affordable.

## **Arranging a tenancy**

If the property is satisfactory and the rent is in line with the local housing allowance rates, the landlord will be asked to sign a form agreeing to the terms of the Rent Deposit Guarantee Scheme.

The Housing Options team will ensure that a tenant's housing benefit claim is completed and submitted within a week of the tenancy commencing.

## **Ongoing advice and support**

Throughout the tenancy the Housing Options Team will be available to help the landlord and tenant to resolve any problems that may occur and to provide them with ongoing information, advice and support.

The Housing Options team wants to make it easier for people on low income to obtain private rented accommodation and also to ensure that they can keep it.

## Guidance note for Rent Deposit Guarantee

### Supplementary Notes:

- There are restrictions in place for housing benefit purposes for single people under the age of 35 years.
- You are entitled to make a claim for local housing allowance if you are in receipt of a low income or other benefits

### However:

- You will only receive what is called a shared room rate either until you are over the age of 35 years or there is a change your circumstances

### What this means:

- Is that you should consider renting either one room in a shared house or a bedsit.

### How does the landlord or agent make a claim under the scheme?

- If the tenancy ceases within the fixed term the landlord can submit a claim subject to the cash limit for the particular property for any rent loss suffered, damages caused to any of the items covered by the guarantee that are detailed in the inventory.
- The claim must be submitted in writing and sent to the Housing Options Service, Phoenix House, 1 King Street, Leicester, LE1 6RN. (public access is via Welford Place)
- The claim will be checked by a manager who may wish to arrange a meeting between the tenant, landlord or agent.

- **The Council will try to settle any claims within 10 working days.**
- **Rent Deposit Guarantees are valid for the 6 month term of the tenancy only.**

## **What happens if a claim is approved against my tenancy**

Any monies paid under a guarantee is considered to be a debt that is owed to Leicester City Council and would impact on future housing applications you make to Leicester City Council. Therefore the debt would have to comply with the relevant Rent Arrears policy of the said Council.

## **Disclaimer**

Leicester City Council's only responsibility towards a tenancy created as part of the scheme is for the amount agreed as part of the guarantee mentioned for the agreed fixed term of the tenancy. All other responsibilities are between the tenant and landlord.

Where the amount of the landlord's claim under this scheme is more than the amount of protection provided under the guarantee, the landlord may wish to seek recovery from the tenant directly.

There is **no other legal relationship or responsibilities** with Leicester City Council.

## Further information

*Please contact*

Housing Options Team  
Housing Options Service  
Phoenix House  
1 King Street (*public access via Welford Place*)  
Leicester  
LE1 6RN

Tel: 0116 252 7008

web:  
[leicester.gov.uk/housingoptions](http://leicester.gov.uk/housingoptions)

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[housingoptions@leicester.gov.uk](mailto:housingoptions@leicester.gov.uk)



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City Council