Children’s Services Care Leavers Rent Guarantor Scheme

**Version Final v1.1 Approved by Tina Benjamin & Siobhan Walsh**

**Date: July 2022**

# About this document

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| **Title** | **Care Leavers Rent Guarantor Scheme**  |
| **Purpose** | **Supporting the independence of young people 18+ where they do not have someone to act as a guarantor for a tenancy.** |
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#### Intended Audience

This document has been issued to the following people for Review (R) Information (I) and Review and Sign off (S). The Child in Need procedure is mandatory and must be shared with all staff and partners working with Children in Need and their families.

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## What is the Rent Guarantor Scheme for 18+ Care Leavers?

The scheme is aimed at those young people aged 18+, who are financially and emotionally ready to live independently and where there is no family member willing/able to act as a Guarantor.

1. Surrey County Council (SCC) 18+ Care Leavers Service could stand as a *Corporate Guarantor* for the young person’s tenancy.
2. This is important as some Landlords and Letting Agencies will only accept a *Personal Guarantor.* SCCcannot stand as a Guarantor on this basis.
3. Being a Corporate Guarantor means that should the young person not be able to pay their rent, SCC 18+ Care Leavers Service will be contractually obliged to pay the rent instead.
4. In addition, should the young person be unable to pay for any damage to the property, SCC 18+ Care Leavers Service will be contractually obliged to cover these costs as well. The cost that SCC 18+ Care Leavers Service will have to review will be the non-accidental damage, these costs will be taken out of the care leaver’s allowances following a review of their income, expenditure and ensuring repayments are affordable.
5. It is therefore important that we assess the young person’s maturity, financial position, and emotional wellbeing before we agree to accept them onto this scheme.

## How Long Does a Guarantor Agreement Last?

There's no general rule about how long a guarantor agreement lasts, it depends on what is agreed between the landlord and the guarantor. For the care leavers who are currently in Higher Education at University, SCC will be the guarantor for the whole academic year.

Your guarantor should speak to the landlord if they don't want their liability to continue beyond the end of a fixed term tenancy. This will be reviewed on yearly basis.

If the landlord agrees, this should be clearly set out in the guarantor agreement.

* For SCC we should express that our Guarantor period should be for no more than one year. An extension can be possible depending on the needs of the young person.
* The Personal Adviser (PA) who is working with the young person, will have to maintain contact with the young person on a monthly basis during the first year to ensure that arrangements are working as intended and there are no issues arising.

## Who is Eligible for the Rent Guarantor Scheme?

1. Former relevant care leavers between the ages of 18 and 25.
2. Willing to pay their own rent in full each month.
3. In agreement to pay ALL benefits issued for purpose of payment towards rent costs in full towards their rent each month as per the purpose, without exception.
4. Engaging regularly and meaningfully with any supporting professionals (and intention to continue to do so) to ensure relevant support is being accessed and provided when required.
* If this is not currently in process (i.e., they have outstanding unaddressed need/s) this will need to be actioned prior to acceptance to avoid placing the young person at risk of further harm.

5. Be fiscally responsible (*assessed via previous involvement with PA – the practice expectation is this should be recorded on LCS and included within their latest Pathway Plan*) and able to manage the variety of costs involved in running their accommodation.

6. Not have any significant level of debt (Current ‘Debt to Income Ratio’ of no greater than 20%)

* Less than 20% of income required on debt repayment

7. Have the required Independent Living Skills (*assessed via previous involvement with PA – the practice expectation is this should be recorded on LCS and included within their latest Pathway Plan*) necessary to avoid placing this young person at obvious significant risk of failing to maintain an independent tenancy.

* Importantly, these include proactive problem solving, a ‘proven ability to access support when required’ and at least a basic ability to read and respond to correspondence in relation to their needs i.e., if they receive a letter which requires a response, they would either do this themselves or contact a relevant member of their support network to address this as a priority.

**NOTE**: The above criteria should be relevant to ***all*** young people who wish to access Private Rented Sector accommodation and wish to receive support from the SCC 18+ Rent Guarantor Scheme.

However, as a service we pride ourselves on being responsive to the needs of our young people and experts in their advocacy. With this in mind, if you believe that your young person does not ‘match’ with one of the above criteria, but genuinely believe they should be supported to access this scheme, please discuss this with your Team Manager, so that they can put forward this consideration to the Assistant Director.

## Specific Eligibility Criteria Applicable for Those in Employment

The young person requesting access to the Rent Guarantor Scheme must be:

* Earning an income above or in addition to state benefits. i.e., if working only, total income must be more than Local Housing Allowance (LHA) rate in area desired for Private Rented Sector accommodation OR the young person must be earning income in addition to being in receipt of benefits.
* Be engaged positively with their employment and not currently be involved in or expecting to become involved in any disciplinary or other process which has the potential to limit or otherwise negatively impact upon their future income.
* Have no intention to end this employment, during the duration of their tenancy (for which Guarantor support has been provided by SCC).

## Specific Eligibility Criteria Applicable for Those in Full-Time Higher Education

The young person requesting access to the Rent Guarantor Scheme. must be:

* Currently enrolled in full-time education (Tertiary / Degree Level). This needs to be confirmed in writing with the learning agreement evidencing the study hours.
* Have the intention to continue this study to its conclusion.
* Be engaged positively with their education and not currently be involved in or expecting to become involved in any disciplinary or other process which has the potential to limit or otherwise negatively impact upon their future enrolment in their current educational provision.
* In receipt of all benefits/other incomes to which they are eligible in order to support with the costs of their studies and reduce the potential dependency i.e., Employment Support Allowance (ESA), Personal Independence Payment (PIP), student grants/loans etc. This includes the SCC University bursary accessible via application from the PA.

## Expectations for Fulfilment by the Young Person

1. No choice will be made by the young person whilst under this scheme, not to pay their rent. A choice does not mark a ‘*change in circumstance which affects their ability to pay their rent*’ and therefore, this would not see that portion of their rent covered by the scheme.

2. If a young person becomes aware that they may experience problems in paying their rent at any point in the future, this must be communicated to their PA and landlord/letting agent as soon as possible. This will allow a joint approach to supporting the young person to take preventative measures where possible and to work with their support network to avoid ongoing or recurring problems in this respect.

3. If SCC are not made aware of the amount owed, they cannot be held responsible for payment. Both the landlord/letting agent and young person have the responsibility to inform SCC Care Leavers Service of issues in regard to rent payments or monies owed at the earliest opportunity.

4. At the point that a change in circumstances which affects the young person’s ability to pay their rent becomes a reality and the scheme is required to cover their payments, the young person remains responsible for paying any benefits or other monies issued for use against rent payments to the landlord/letting agent, reducing the amount of rent required to be covered by the SCC Care Leavers Service.

Example

A young person receives Universal Credit via the Department for Work and Pensions (DWP) and works 10 hours a week to pay their rent.

This young person loses their job.

This young person continues to receive Universal Credit (rent element) and therefore, must continue to pay this to their landlord/letting agent, as this is provided for that purpose. Any other use of this money would be inappropriate.

1. If a young person who previously worked to pay their rent, then loses their job, they will be expected to notify their PA within 48 hours, to discuss next steps. They will then be expected to engage immediately with the DWP, in order to ensure that Universal Credit (or other benefits) can be utilised to pay their rent, which they previously paid.

2. If a young person claims benefits to support them to pay their rent and then disengages with or otherwise loses this provision, there is an expectation that this young person will notify their PA within 48 hours and accept support to reengage with this provision.

3. If the Higher Education Setting accessed by the young person has an offer of support for Care Leavers in respect of their rent or living costs, there will be an expectation that the young person informs them of their change in circumstance, so that this support can be accessed to reduce costs for the SCC Care Leavers Service.

## Staff Guidance for SCC Care Leaver Rent Guarantor Scheme

In certain circumstances, SCC can act as a corporate rent guarantor on behalf of a young person, where there is no family member willing/able to do so. This can only be used for young people aged over 18.

The process should be as follows:

1. The Personal Adviser identifies a young person who is suitable for the scheme (see below):

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| Financially stable | Currently managing finances well |
| No prohibitive levels of debt |
| Regular, legal income source other than benefits |
| Coping well emotionally / psychologically | No issues managing emotional/psychological wellbeing independently |
| Receiving adequate support and avoiding significant prohibitive difficulties with related issues |
| Utilising and able to use effective strategies for managing difficulties if/when they arise |
| Has the necessary independent living skills to maintain a tenancy | Will seek support from support network if required |
| Has practical day-to-day skills such as cooking, cleaning, and basic maintenance abilities |
| Understands the need for routine, understanding legal / tenancy commitments and a sense of responsibility |
| Evidence of the success of previous tenancies *(where appropriate)* | Has not been issued with notice from a previous provider |
| Positive references from any previous supported accommodation providers |

2. The PA will complete a Guarantor application form with the young person.

3. The PA will also need to provide a summary as to why they feel that the young person can hold a tenancy both emotionally, financially and has the skills to meet the requirements (as above). In most cases the young person will have identified a possible property and be aware of the main costs, including rent, rent in advance and deposit.

4. The summary application form and documents relating to the tenancy should be checked by the respective Team Manager. The Team Manager will need to agree that the young person is able to meet the requirements to oversee their own accommodation.

5. The Team Manager will then forward all the documents to the Service Manager of the Looked After Children and Care Leaver Team. The Service Manager will review the request and present to the area resource panel which will review the request.

6. Each agreement may be different, for many it will be for student accommodation, for others long-term private rental agreements. The PA, Team Manager, Service Manager, and the Assistant Director will ensure that the risk is minimal for the young person.

7. Once the area resource panel assesses the application, a letter will be given to the PA, to give to the young person confirming the outcome.

8. If the young person is accepted onto the scheme, they will receive an ‘Acceptance in Principle’ letter, which confirms SCC are prepared to stand as a Corporate Guarantor for their tenancy.

9. The young person can use this letter when speaking to Letting Agencies as evidence that they have a guarantor in place. However, it must be pointed out to the Letting Agent/Landlord that we are offering a Corporate Guarantee. Neither SCC, nor any individual within the Care Leaver Service can stand as a personal guarantor for a tenancy. This is a challenge for some Letting Agencies/Landlords.

10. Only if the Letting Agent/Landlord is prepared to accept a Corporate Guarantor can we move forward.

## Appropriate documentation and recording of any Corporate Guarantor agreement

It is important that SCC have the appropriate paperwork on file for any corporate guarantee we agree to, as if the young person defaults on their rent, SCC are obligated to step in and pay it on their behalf. The Discretionary Housing Payment “DHP” package can be accessed by all the local authorities.

Most Letting Agents/Landlords will want to include information about the Guarantor either within the Tenancy Agreement or by completing a separate Deed of Guarantee.

1. Please obtain a copy of the Tenancy Agreement and Deed of Guarantee from the Letting Agency/Landlord. These documents should reflect that SCC will stand as Corporate Guarantor for the tenancy for a period of 12 months.
2. Email the documents to the Team Manager and PA for agreement and signature.
3. Signed copies of the documents will be returned to the Letting Agent/Landlord. The PA must save the information to the LCS case record and update a case note.

## Rent start and rent deposit schemes

Where appropriate, young people should be encouraged to explore options available to them through the rent start and rent deposit schemes provided by their Local Borough Council before applying for support through the rent deposit scheme. Young people should contact their local Council to discuss the options available to them. Appendix A provides a brief overview of the support offered by the 11 Districts and Boroughs.

## Appendix A

**Local Housing Authorities rent start and deposit support schemes**

**Elmbridge Borough Council** – Rentstart - <https://www.rentstart.org/>

Tel: 01372 474 590

Email: housingoptions@elmbridge.gov.uk

**Epsom and Ewell Borough Council -** Rent Deposit Scheme. Via Housing Options route.

Tel: 01372 732000

Email: housing@epsom-ewell.gov.uk

**Guildford Borough Council** – *Homes for You* ***–*** Request via Housing Options route.

Tel: 01483 505 050

Email: housingadvice@guildford.gov.uk

**Mole Valley District Council –** Homechoice Plus scheme – available through the housing options route.

Tel: 01306 885 001

Email: housing@molevalley.gov.uk

**Reigate and Banstead Borough Council** – Young people shouldcall the housing team to see if they would be eligible. It may also be possible to be referred to YMCA Next Step who offer support for vulnerable families with priority need, but this request would have to come directly from Reigate and Banstead Council.

Tel: 01737 276790

Email: housing.advice@reigate-banstead.gov.uk

**Runnymede Borough Council –** Magna Carta Lettings – Request via Housing Options route.

Tel: 01932 838 383

Email: housingsolutions@runnymede.gov.uk

**Spelthorne Borough Council** - Rent Assure –Request via Housing Options route.

Tel: 01784 446 380

Email: [HousingAdvice@spelthorne.gov.uk](http://HousingAdvice@spelthorne.gov.uk/)

**Surrey Heath Borough Council –** Rent Choice Scheme – Request via housing options route.

Tel: 01276 707 100

Email: housing@surreyheath.gov.uk

**Tandridge District Council –** Tandridge can refer single homeless people to YMCA (East Surrey) Next Step who will assist with a private rented search and offer support with the rent and deposit if needed.

Tel: 01883 722 000

Email: housing-needs@tandridge.gov.uk

**Waverley Borough Council –** Via the housing options team.

Tel: 01483 523 551

Email: homechoice@waverley.gov.uk

**Woking Borough Council** - PRS Scheme– “Lets Rent Letting Service” –Request via Housing Options route.

Tel: 01483 743 834

Email: housingoptions.enquiries@woking.gov.uk