

Rent Deposit Scheme

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1. Introduction

Gravesham Borough Council is committed to the prevention and relief of homelessness.

The council can prevent households from becoming homeless by offering a loan or grant to allow them to access suitable and affordable accommodation in the private sector. The Councils Rent Deposit Scheme has been developed to provide alternative options for the council to prevent and relieve homelessness.

2. Scope & definition

The policy and the associated guidance details how those owed a housing duty will be offered a loan or grant to enable them to access Private Rented Sector accommodation both in Gravesham and out of area.

Definition: Housing Duty– An applicant owed a prevention, relief or the main housing duty in accordance with the 1996 Housing Act (*as amended*). This policy refers to a homeless applicant as ‘the applicant’.

3. Policy context

In April 2018, following the introduction of the Homelessness Reduction Act 2017, Gravesham council amended the way in which they deliver homelessness services to reflect the new legislation. This legislation updated the Housing Act 1996 (as amended by the 2002 HL Act) and has placed a duty on Councils to either prevent homelessness where it is threatened within 56 days or relieve homelessness where the household has already lost their accommodation.

One of the ways the Council will discharge its homelessness or relief duty is by working with households to find long term settled accommodation, some of which may be in the Private Rented Sector. The Council is within its powers to discharge its duty into the private rented sector, as outlined in The Localism Act 2011 (sections 148 and 149). The reality is demand for social housing in Gravesham is increasing and this demand outweighs the supply.

The Localism Act 2011 (sections 148 and 149) introduced provisions which enable the council to bring its statutory housing duty under section 193 of the Housing Act 1996 as amended (HA96) to an end, by making an offer of a private rented sector tenancy rather than a social housing tenancy.

4. Policy Complies

The Housing Act 1996 Part VII (as amended)

- Section 206(1) provides that the authority may discharge their housing duty only by securing “suitable” accommodation, albeit by a variety of routes.
- Section 208(1) provides that: “So far as reasonably practicable a local housing authority shall, in discharging their housing duty under this Part, secure that accommodation is available for the occupation of the applicant in their Borough”.

The Homelessness (Suitability of Accommodation) orders 1996, 2003 and 2012

In determining whether accommodation is suitable for a person, the local housing authority must consider the location of the accommodation, including.

- where the accommodation is situated outside the Borough of the local housing authority, the distance of the accommodation from the Borough of the authority; the significance of any disruption which would be caused by the location of the accommodation to the employment, caring responsibilities or education of the person or members of the person's household.
- the proximity and accessibility of the accommodation to medical facilities and other support which —
 - are currently used by or provided to the person or members of the person's household; and
 - are essential to the well-being of the person or members of the person's household; and
 - the proximity and accessibility of the accommodation to local services, amenities and transport.

Homelessness Reduction Act 2017

- Section 206(1) provides that all accommodation provided under Part 7 of the 1996 Act must be suitable for the applicant and their household, and the suitability requirements under section 210 apply.
- Homelessness Code of Guidance for Local Authorities
- The code of guidance provides further information about the suitability of the location of accommodation. The code consolidates the existing legislation, case law and good practice.

Private Rented Sector Offer Policy 2024

- The private rented sector offer policy determines how the Council can and will discharge its statutory homelessness duties. It also determines suitability of accommodation.

5. Aim of the Rent Deposit Scheme

The key aim of the Rent Deposit Scheme is to assist households who are on low incomes, who may otherwise face financial hardship accessing the private rented sector into settled long term accommodation. This will prevent or relieve their homelessness and resolve their housing need through the provision of a deposit and or rent in advance.

It may also be used to move households on from more expensive nightly paid temporary accommodation into more settled, long-term housing that meets the family's needs.

6. Qualification for the Rent Deposit Scheme

To achieve its aims of assisting households into accommodation or move them on from temporary accommodation, the Rent Deposit Assistance scheme will offer a repayable loan

or a grant to pay for up to one month's rent in advance and/or a deposit which will not usually exceed the value of five weeks rent to the landlord.

To qualify for the scheme applicants must meet the following criteria:

- 3.1. Be eligible for homelessness assistance from the Council and have attended an interview with a Housing Options Officer and be actively engaging and working with GBC to secure accommodation.
- 3.2. Have actively explored other options to pay the rent and deposit including a Discretionary Housing Payment (DHP).
- 3.3. Be threatened with homelessness within 56 days (or have been served with a valid notice under s21/6a or s8 Housing Act 1988) and the Council has accepted a duty to prevent the household's homelessness, or; Be already homeless and the Council has a duty to relieve the household's homelessness or the Council owes the applicant the main housing duty.
- 3.4. Be over 18 years of age
- 3.5. For a grant, an applicant cannot have a total household income of more than £60,000 per year or have savings/investments more than £5,000. If either of these situations apply a loan would be given
- 3.6. Have not already signed the tenancy agreement or moved into the property as loans or grants will not be paid retrospectively.

The following checks will also be undertaken before any payment can be made via the Rent Deposit Scheme:

- 3.7. That the applicant has no other resources available to pay the deposit themselves (Such as savings, an interest in a property or any other assets) or other funding that could assist such as Discretionary Housing Payments (DHP).
- 3.8. An assessment has been made of the household's ability to afford the property and make the necessary repayments on the loan (if applicable). Where appropriate, for example in cases where there are multiple outstanding debts, applicants can be referred to a recognised Money Advice Service to undertake a financial assessment.
- 3.9. Any former tenant arrears will be taken into consideration, regarding affordability and payment plan set up.
- 3.10. That any accommodation secured is suitable and free from hazards in line with the Housing Health and Safety Rating System. This will be completed by a qualified officer before any agreement is made to pay the rent in advance and deposit.
- 3.11. If the accommodation found is out of area, the officer will contact the respective local authority to ensure the property has not been subject to any disrepair or enforcement action. This can be confirmed retrospectively and will not hold up the process to secure accommodation.
- 3.12. The property has all relevant safety certificates, and they have been checked by the officer and captured to file.

Where the accommodation is a House of Multiple Occupation (HMO) and the property is licensable, or there is a valid licence issued to the landlord.

The rent deposit scheme should only be offered for a minimum of a 12-month tenancy with no break clause. If a six-month tenancy is offered this can be approved by the Lettings Manager.

This scheme is available to anyone regardless of whether the council are investigating that an applicant has made themselves intentionally homeless as whilst in the relief duty is owed, the council must still continue to make efforts to relieve the applicant's homelessness before a main duty decision is made. Intentionality will not have any bearing on whether the applicant receives a loan or grant.

As per the rent deposit procedure, any payments classed as a loan will need to have a full client loan form and direct debit form are both completed and signed. Recovery of a loan is covered in the corporate recovery process.

Where a client is known, or appears, to be related to the landlord, the Council must undertake additional verification checks. These checks are required to ensure that the proposed tenancy constitutes a genuine commercial arrangement and is not a contrived or non-commercial tenancy created to obtain housing assistance.

7. How the payments will be made

Payments will be made by the Property Manager and will be authorised by the Housing Options Manager or the Lettings Manager.

The Housing Options Manager or the Lettings Manager will determine whether the rent in advance and/or deposit will be offered on a loan or grant agreement. This will include a comprehensive income and expenditure assessment outlining affordability of the property.

The financial package offered to secure the accommodation will be determined on a case-by-case basis.

Payments will be made in advance of the tenancy start date, through the current weekly payment run. In exceptional circumstances payments can be made using a faster payment method.

8. What will be paid for?

Rent in advance and/or a deposit of up to five weeks rent will be paid where this will prevent or relieve homelessness and the criteria to access the scheme is met. Five weeks deposit is the legal amount allowed to be paid as per the Tenant Fee Ban 2019. The deposit must be protected in a government backed tenancy deposit scheme within 30 days of receipt

The rent in advance is usually one month however this can change depending on length of tenancy. Any monies paid will be paid directly to the Landlord or Managing Agent and no payments will be paid to applicants unless the Housing Options Service Manager agrees in exceptional circumstances.

9. What will not be paid for?

The scheme is designed for applicants to allow them to access the private rented sector to address their housing need and to achieve its aims and will only pay a deposit and or rent

in advance and will not cover any removal costs, furniture costs, or any other costs associated with the move. These costs will remain the responsibility of the tenant.

If the property has shared facilities (kitchen, living, bathroom etc), then a deposit will not be paid on the property. This is because any damage cannot be correctly attributed to one tenant, and the Council cannot be held liable for damage potentially caused by other occupiers.

10. Refusal of payments

There may be occasions where an application for a loan or grant is refused. This could be due to the applicant or an issue with the property. When this happens the Housing Options Officer will inform the household of this decision in writing.

A property may be refused if:

- The landlord is not deemed to be a 'fit and proper person'.
- The landlord cannot produce all safety certification necessary.
- The property has current enforcement action from the local authority.
- The property has Category 1 or 2 hazards that the landlord is not willing to remedy.
- The property is deemed unsuitable or unaffordable for the client.

A client may be refused if:

- They do not meet all the criteria above.
- They sign the tenancy agreement prior to agreement from the Council.
- They knowingly provide false information or withhold information.
- Former tenant arrears not being paid within an agreed payment plan.

11. Monitoring & Reporting Arrangements

Monitoring will be included within the performance framework of the Housing Services Directorate and officers will monitor the outcomes of the policy to help assess the success of it.

All applications to the scheme must be recorded in the Property Register log and must be reported monthly in the performance data (total applications, total payments made, total refused). All documentation must be stored in the designated systems as per the Rent Deposit Procedure.

Loan repayments are to be monitored by the corporate debt team.

All applicants will agree to having their information stored by GBC and used for information reporting purposes for further funding needs.

12. Equality and diversity

The Council has a statutory duty to have due regard to the need to promote disability, race & gender equality.

The Council should also be proactive about putting in place arrangements to ensure that they do not unfairly discriminate against individuals on the grounds of their age, religion,

personal relations or living and caring arrangements, or whether they live in an urban or rural area. Equality should be integral to the way in which social care is prioritised and delivered.

The potential impact of this policy on the various protected characteristics has been identified and addressed through an Equality Impact Assessment.