

# 18+ Care Leavers Service Rent Guarantor Scheme

# Understanding the Rent Guarantor Scheme

## Overview

- 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.
- KCC, 18+ Care Leavers Service could stand as a *Corporate Guarantor* for the young person's tenancy.
- This is important as some Landlords and Letting Agencies will only accept a *Personal Guarantor*. *KCC* cannot stand Guarantor on this basis.

# Understanding the Rent Guarantor Scheme

## Overview

- Being a Corporate Guarantor means, that should the young person not be able to pay their rent, KCC 18+ Care Leavers Service, will be contractually obliged to pay the rent instead.
- It could also mean that should the young person be unable to pay for any damage to the property, KCC 18+ Care Leavers Service will be contractually obliged to cover these costs as well.
- It's therefore important that we assess the young person's maturity, financial position and emotional well being before we agree to accept them onto this scheme

# Understanding the Rent Guarantor Scheme

## Documentation

- It's important KCC 18+ Care Leavers Service has accurate records about what has been agreed for each young person
- The PA/YP will complete a Rent Guarantor Application Form
- The PA will also write a supporting statement which addresses why they feel the YP is ready to hold a tenancy both emotionally and financially
- For the purposes of the young person's financial wellbeing, it is an expectation that they will have another source of legal, regular income above any benefits they receive and that these are evidenced via appropriate documentation.
- This application will be supported by the PA's Team Manager

# Understanding the Rent Guarantor Scheme

## Documentation

- Letting Agencies/Landlords usually ask KCC, 18+ Care Leavers Service to sign a Deed of Guarantee.
- Sometimes there is a Clause written into the Tenancy Agreement, which KCC 18+ Care Leavers Service may have to sign.
- Either way KCC, 18+ Care Leavers Service MUST have copies of all this documentation
- Deeds of Guarantee and Tenancy Agreements should only be signed by 18+ Care Leavers Head of Service and on behalf of KCC.

# Understanding the Rent Guarantor Scheme

## Additional

- As part of this scheme, KCC, 18+ Care Leavers Service could also cover the security deposit for the property and the first month's rent

**NOTE** – Administration fees are no longer legal under UK law (Tenant Fees Act, 2019) and therefore, if any additional fees do appear to be charged in addition to deposit, etc, please discuss this with a member of the Rough Sleeping / Homelessness Team, or consider the Act directly. Guidance is available via: <https://www.gov.uk/government/publications/tenant-fees-act-2019-guidance>

- Once an address has been identified and these costs are agreed, the PA completes a Finance Form 324 to request the funds
- Proof of these costs must accompany the 324 request. We will accept the Tenancy Agreement (if all costs are specified within it) or a letter from the Agency/Landlord confirming the costs.

# Understanding the Rent Guarantor Scheme

## IMPORTANT

- No Young Person should be told that they CAN be offered a guarantor, until they have completed the application process successfully.
- If no specific address has been identified for a young person prior to the application, KCC 18+ Care Leaver Service will only stand as a corporate guarantor 'in principle', meaning that specific details of costs and payments MUST be considered for the specific properties prior to any formal agreement and legal obligation.
- Proofs of ALL documentation for any Guarantor Applications MUST be provided to the Business Support Team. As above, if applications are completed and accepted in principle, unless the relevant documentation is submitted to and agreed by the Business Support Team and Head of Service, then a YP will not be able to be offered a legal guarantor.

# Applying for the Guarantor Scheme

## Step 1

- PA/young person (YP) completes our Rent Guarantor Scheme Application Form
- PA writes a supporting statement confirming why the YP is financially and emotionally ready to hold a tenancy
- PA submits the Application Form and supporting statement to their Team Manager for consideration
- If supported by the Team Manager, all information is sent onto 18+ Head of Service for consideration

## Step 2

- 18+ Head of Service makes decision and informs PA and Business Support Officer of outcome
- Business Support Officer prepares acceptance letter (or alternative) and emails it to the PA
- PA delivers the letter to the YP for them to use to open discussions with the Letting Agency/Landlord

## Step 3

- Letting Agency emails Tenancy Agreement and/or Deed of Guarantee to Business Support Officer
- Business Support Officer organises for paperwork to be signed by 18+ Head of Service and returned to Letting Agency/Landlord
- PA submits a 324 request for any associated costs (e.g. Letting Agency Fees, Property Security Deposit and/or first month's rent)