



Newham London

# Bond scheme A guide for landlords

## What is the Bond scheme?

This scheme is intended to help those that are homeless or are threatened with homelessness and who cannot afford the deposit needed to secure private rented accommodation.

## How does it work?

The bond is a legally binding agreement that is given to the landlord in place of a deposit.

The bond is equivalent to a maximum of four weeks rent.

It covers malicious damages caused by the tenant and their household. It DOES NOT cover fair wear and tear, furniture or white goods, rent arrears, unpaid bills, personal debts to the landlord or damage to communal areas of a property.

The bond will last for the life of the tenancy.

## Who is eligible for the scheme?

To be eligible for the scheme the tenant must have been referred by the Housing Options Centre and meet the following criteria:

- homeless or threatened with being homeless
- have priority need
- be on benefits or a low income
- have a local connection to the area (through family, work or residency).

Each applicant will be interviewed by a housing advisor to ensure they meet the criteria and that they can afford the rent.

## What does the scheme offer landlords?

There are a number of advantages to landlords for taking part in the scheme, including:

- advice and assistance on the rights and responsibilities of both tenants and landlords
- advice on what is a reasonable rent to charge
- advice on tenancy agreements and notices
- reduced advertising costs – we have a list of households requiring tenancies, and can set landlords up with potential tenants
- advice on the benefits system
- a fast-track housing benefit system which ensures that they get their rent paid as quickly as possible
- support available throughout the tenancy to resolve any housing benefit, repairs or other issues.

## What does the scheme offer tenants?

The scheme offers homeless individuals and households a chance to obtain settled accommodation in the private rented sector.

We can also offer tenants help and advice and we can advise tenants on their rights and responsibilities as a tenant.

## Providing a guarantee to your landlord

Instead of giving tenants the money to pay a deposit up front, the scheme gives landlords a guarantee that they can claim back from Newham Council up to the amount on the bond, if the tenant causes malicious damage to their property. Where a claim is made against the bond by the landlord, we will look into it and pay if the claim is valid. So no money actually changes hands unless there is a problem at the end of the tenancy.

## For landlords to qualify for the scheme

- the property must be free from category one hazards and in general good condition
- all furniture must comply with Fire Safety Regulations
- the property is required to pass an inspection prior to letting
- the rent must be in line with local housing allowance
- the terms of the tenancy agreement must be easy to understand
- landlords must not be residents in the property or providing bed and breakfast in the same property

- landlords must act in a responsible and lawful manner
- landlords must be a member of the Newham Landlord Accreditation Scheme.

## What if I need to make a claim against the deposit bond after a tenant has left?

If you need to make a claim against the deposit bond, please:

- inform us when the tenant leaves
- we will inspect the property the day the tenant vacates the property
- send us a list of damages and an estimate for the cost of the work you need to do
- we will cross-check it against the inventory on our original inspection report
- we will then write to you to confirm the value of damages that we will pay
- get the work done and send us original receipts or paid invoices. We will then repay your expenditure up to the maximum value of the deposit bond.

The scheme offers a paper bond at the start of the tenancy and the scheme guarantees to meet genuine claims up to the amount of the bond.

Any additional charges will need to be claimed directly from the tenant by the landlord.

Monday - Friday  
9.00am - 5.00pm



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