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## **Bond Scheme- Guide For Landlords**

Monday 22<sup>nd</sup> January 2007

### **What is the Bond Scheme?**

This Scheme is intended to help households who are homeless or are threatened with homelessness 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:

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

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



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## **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 or other issues.

## **What does the scheme offer tenants?**

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

We can also offer tenants help and advice.

We can advise tenants on their rights and responsibilities as a tenant.

## **Providing a guarantee to your landlord**

Instead of giving you the money to pay a deposit up front, the scheme gives your landlord a guarantee that you can claim back from Newham Council up to the amount on the bond, if the tenant causes malicious damage. If you or the landlord claims that the tenant has damaged the property, the scheme 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.



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### **For landlords to qualify for the scheme**

- The property and any furniture must pass the legal basic fitness standard.
- The property is required to pass an inspection prior to letting.
- The rent must be reasonable.
- The tenancy agreement must be easy to understand.
- Landlords must not be residents in the property or providing B&B.
- 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 before the tenant leaves
- We will inspect the property the day the tenant vacates that 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 and our original inspection report.
- We will then write to you to confirm the damages that we will pay for.
- 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 on the bond.

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

The Council will seek to reclaim from the Tenant all money paid out under the Bond.