

## **HOUSING ADVICE SERVICE**



### **Bond Guarantee Scheme**

The Bond Guarantee Scheme exists to enable homeless people to gain access to privately rented accommodation, overcoming their inability to provide a landlord's bond or deposit.

The scheme provides a guarantee against loss or damage to the property or its contents, to a maximum of £300.

The Bond is NOT a cash payment. The Authority offers landlords a guarantee that it will underwrite the Bond until such time as the client has saved the required amount of money and given it to the landlord or his agent, usually within 6-12 months of the start of the tenancy. This can be extended in exceptional circumstances.

The Housing Services Officer undertakes to keep regular, usually bi-monthly, contact with the client to ensure that payments are being made, and to deal with any potential problems as they arise.

#### **Eligibility Criteria**

- 1) The applicant has no access to secure accommodation or it is unreasonable to continue to occupy accommodation.
- 2) The applicant would not be accepted as statutorily homeless under the provisions of the Housing Act 1996 and the Homelessness Act 2002,  
  
or,  
  
applicants accepted as statutorily homeless but who prefer to access privately rented accommodation.
- 3) The applicant has no savings or access to savings.
- 4) The applicant has a local connection with Ryedale (as defined by the Housing Act 1996).

N.B.

If an applicant has previously been a participant on the Bond Scheme, they cannot be so again.

#### **Procedure**

- 1) The applicant is interviewed and eligibility for the scheme is established.

- 2) An application form is completed, giving two references that can be checked.
- 3) If references are satisfactory, authority needs to be sought from the Housing Services Manager.
- 4) The applicant is informed, issued with a Certificate of Acceptance, and given a "Guidance for Landlords" document. Pre-Tenancy Determination forms are also provided so that Housing Benefit levels can be checked.
- 5) The client identifies a property and notifies the Housing Services Officer.
- 6) A Pre-Tenancy Determination form is completed if not already done so. When the response shows that the rent will be covered by Housing Benefit, the applicant checks with the landlord that he/she will accept the Bond Guarantee Scheme.
- 7) The landlord, applicant and Housing Services Officer meet. Contracts are signed, at the same time as the tenancy agreement. A Housing Benefit form can be completed if required (the applicant must agree for rent to be paid directly to the landlord).
- 8) An inventory of the property is carried out either before, or as soon as reasonably practicable, after the applicant moves in. This is agreed by all parties and a copy is kept on file.
- 9) The Housing Services Officer will visit the tenant regularly, usually every two months. At the visit, the tenant will be asked how much has been paid towards the Bond. A letter will then be sent to the landlord or agent to verify this. The Council's commitment will diminish as the tenant's personal bond contribution increases.
- 10) The Bond Guarantee Scheme application contains consent for the Housing Services Officer to liaise with the Housing Benefits section to ensure the smooth processing and payment of the claim.

#### The Council's responsibilities towards the Client

- 1) To assist the client with the completion of all forms, as required.
- 2) To support the client through the initial 6-12 month period of the tenancy, making regular visits and keeping contact.
- 3) To assist the tenant to understand the tenancy agreement, their rights and their obligations.
- 4) To provide continued advice and assistance for the duration of the Bond Guarantee period.

#### The Council's responsibilities towards the Landlord

- 1) To inform landlords about Pre-Tenancy determinations and their purpose, if they are required.
- 2) To fast-track Housing Benefit claims.

- 3) To ensure that valid and eligible claims for loss or damage within the terms of the Bond Guarantee Scheme, are dealt with as efficiently as possible.

#### Tenant's Responsibility

- 1) To observe and comply with the conditions laid out in the tenancy agreement.
- 2) To pay the rent lawfully due under the terms of the tenancy to the landlord.
- 3) To notify the Council as soon as the tenancy ends or residence ends.
- 4) To give the required notice of intention to end the tenancy.
- 5) To keep agreed and regular contact with the Council's Housing Services Officer as well as being available for regular meetings.
- 6) To maintain all relevant claims for Housing Benefit and make it payable to the landlord (unless otherwise agreed).
- 7) To reimburse the Council for any payments made on the tenant's behalf within the terms of the Bond Guarantee Scheme.
- 8) To ensure that on or before the expiration of the first six months of the tenancy they are able to provide the required bond themselves.

#### Saving for the Bond

- 1) The Council will work with the client during the initial 6-12 month period to encourage them to save the required money themselves, enabling them to make their own bond payment at or before the end of the first tenancy period.

#### Landlord's Responsibility

- 1) There are no strict eligibility criteria for landlords. Decisions will be made taking into account the type and standard of accommodation being offered.
- 2) The landlord is required to issue the tenant with a rent book and a tenancy/licence agreement.
- 3) To keep proper written records and accounts of rent received under the terms of the tenancy and to issue written receipts to the tenant for such rent when paid.
- 4) To allow the Housing Services Officer to enter premises to undertake an inventory. This will be agreed and signed by both the landlord and the tenant. Where appropriate, pictures of the property will be taken for future reference.
- 5) Housing Benefit will be paid directly to the landlord unless otherwise agreed.
- 6) To inform the Council immediately if a tenant leaves the accommodation.
- 7) To inform the Council as soon as possible of any loss or damage to the property which may result in a claim within the terms of the scheme.

## HOUSING BENEFIT

### Application

When a client has been accepted onto the Bond Guarantee Scheme, the Housing Benefit form will be checked by the Housing Services Officer, who will ensure it is correctly completed and the necessary information is provided. A signed original tenancy agreement must be attached to the Housing Benefit application form, together with two forms of identification which need to be checked by the Housing Benefit department. In order for the benefit staff to know it is a Bond Guarantee client, a note to this effect will be placed on the Housing Benefit application.

### Fast Tracking

The Bond Guarantee Scheme will not provide for failure to pay rent. Procedures do, however, exist for ensuring that tenants receiving assistance under the guarantee scheme have rapid access to Housing Benefit.

### Housing Benefit correspondence

All letters/correspondence sent by Housing Benefits to either the client or the landlord regarding Housing Benefit will be photocopied and a copy will be sent to the Housing Services Officer. The Housing Services Officer will assist the Benefits Section by making further inquiries if additional information is required.

### Making a Claim

- 1) In the event of a claim within the terms of the Bond Guarantee, the Council will inspect the premises and check the inventory. In the event of theft the matter must be reported to the Police before any claim can be considered.
- 2) In the event of a claim, the Council may, at its discretion, rectify any damage itself.
- 3) Any notice of intention to claim against the Bond Guarantee must be made within three days of the tenant ceasing to occupy the property.

### Subsequent Support

The client will receive a minimum of three support visits during the six months period of the scheme. This will be undertaken by the Council's Housing Services Officer.

### Cessation of the Guarantee

The Bond ceases when the client saves the money themselves and passes it to the landlord, or the landlord or client terminates the agreement. Under certain circumstances it may be possible to negotiate an extension to the scheme. Any such extension will be for a maximum period of six months only.

# SCHEMATIC GUIDE

