

Information to Landlords Regarding the Housing Bond Scheme

The Housing Bond Scheme is run by the Homeseekers Letting Service, this scheme offers bonds to Landlords and guarantees against rent arrears or damage. This is for a specific amount and subject to certain conditions.

There are two elements of bond covering rent and damage. The bonds are a guarantee up to an agreed amount usually equivalent to one month rent and are usually valid for one year.

New regulations introduced in the Housing Act 2004 have made it compulsory for landlords to place their tenant's deposits into a Tenancy Deposit Protection Scheme. Local Authorities setting up bond/guarantee agreements are exempt from this requirement as there is no exchange of cash.

At the start of the tenancy the tenant will be encouraged to save for their deposit.

When the bond has expired the tenant should have saved their deposit money and this will be paid to the landlord if the tenancy is to continue. The landlord then must comply with the Tenancy Deposit Protection Scheme by placing the deposit in one of the two approved schemes.

Landlords are required to supply a current Gas Safe certificate and a NICEIC (National Inspection Council for Electrical Installation Contracting) electrical safety certificate for the property and an up-to-date Energy Performance Certificate at the start of the tenancy.

When signing up for the tenancy, landlords and tenants are required to use the tenancy agreement (an assured short hold tenancy) supplied by the city council. The tenancy agreement will generally be for a 12 month period.

A bond cannot be arranged retrospectively (i.e. after the tenancy has started).

It will remain the responsibility of the landlord and their agent to manage the property and not the council.

Landlords are responsible for the vetting of tenants.

Any landlord who has been convicted of the criminal offence of unlawful eviction or harassment will automatically be excluded from consideration under the scheme.

The council is unable to take legal proceedings for the landlord to repossess the property or recover monies from the tenant.

The Damage Bond

What is covered

- Claims are paid up to the level of the agreed level of the bond
- Damaged or missing items as described in the Schedule of Condition and the Inventory
- Damage caused by the tenant, family, relations and lawful visitors

What is not covered

- All communal areas shared with other persons
- Damage resulting from normal wear and tear to any of the furnishings, fixtures and fittings
- Criminal damage caused by unknown persons
- Admin fees, costs of inventories, schedules and credit searches
- Any legal costs incurred to include gaining possession of the property or the recovery of costs for damage
- Any damage or loss relating to a former or different tenancy
- Any damage or loss to a different property or part of the property not occupied by the tenant under the terms of the tenancy

The Rent Bond

What is covered

- Rent arrears due by the tenant to the landlord relating to this tenancy

What is not covered

- Housing Benefits and overpayments from the tenant's previous property
- Admin fees and credit searches
- Any legal costs to include the gaining possession of the property or the recovery of outstanding rent
- Debts owed to the utility services
- Any rent not legally due
- Any rent arrears relating to a different property, different part of the property or under a different tenancy

Giving Notice to Quit

If the landlord requires the tenant to leave the property a valid Notice to Quit has to be served. Landlords are encouraged to check with Homeseekers Letting Service first before issuing a Notice.

The tenant may also give notice that they want to leave. Tenants are required to give notice as laid down in their tenancy agreement.

How Does a Landlord Make a Claim?

The landlord will need to contact Homeseekers Letting Service to make a claim during the term of the bond either before the tenant vacates the property or within seven days afterwards.

If the tenant is still living at the property, the Accommodation Officer will visit the property to discuss the claim with the landlord and tenant. The tenant will be given the opportunity of putting right the damage/rent outstanding to the landlord's satisfaction, within a specific period. If the tenant fails to do so, then the landlord may put his claim in writing, within twenty-eight days of inspection, with supporting evidence (i.e. invoices/quotes for the damage and a rent statement for outstanding rent).

The tenant will be given the opportunity to comment on the landlord's claim.

Unless urgent health and safety works are required the landlord is to leave the property as it has been found until the inspection can be carried out.

A report is prepared and if the claim is accepted, payment will be sent on to the landlord. If the claim is in excess of each of the bond limits, the landlord must claim the excess balance direct from the tenant.

If items are missing from the property or excessive damage has been caused, the landlord is required to report the matter to the Police and obtain a crime reference number.

If damage is caused/items are missing from the property (and a crime reference number has been obtained by the tenant) by unknown persons the claim will not be accepted by the council.

The council will pursue the tenant for any monies paid out.

Additional Notes

The council accepts no responsibility for any aspect of the tenancy apart from providing the rent/damage bond.

The scheme operates strictly within the equal opportunities requirements.

These notes are for guidance only and they do not form part of the contract.

If you are a **Landlord** please contact the following team for further information about the scheme:

Homesekers Letting Service

Southampton City Council

Civic Centre

Southampton

SO14 7LR

Tel: 023 8083 2977 Email: homesekers@southampton.gov.uk