



# Landlords Pack

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## **THE DEPOSIT GUARANTEE SCHEME**

The Deposit Guarantee Scheme is designed to help people who are facing homelessness to access private rented accommodation. This is done by providing a deposit guarantee in place of a deposit on the tenants' behalf.

A deposit guarantee (DG) is a written agreement between Path and the landlord of a property. Path will guarantee to pay up to the agreed value (usually one months rent) in the event of damage or rent arrears at the end of the tenancy, as with a standard deposit.

## **WHO IS ELIGIBLE FOR THIS SCHEME?**

For Path to be able to consider a client for a DG the client must fulfil all of the following:

- Be homeless or facing homelessness
- Cannot afford to pay their own deposit
- Be on a low income or in receipt of benefits
- Not be responsible for a claim against a previous deposit guarantee

**If you are unsure whether a client has been accepted for help under this scheme please phone our office for confirmation**

Path staff will also interview the potential client, and any client who does not provide the following, will not be helped:

- Proof of ID
- Proof of benefits
- Housing history (past five years)

*All eligible tenant are issued with a confirmation letter to show our offer of a Deposit Guarantee.*

## **WHAT DOES THE DEPOSIT GUARANTEE COVER?**

You can claim against the DG after a tenant has left the property owing rent arrears or having caused damage. We will require evidence for any claim that is made. For example, if a claim is made for rent arrears, Path will need to see a copy of the rent account.

### **HOW LONG DOES THE AGREEMENT LAST?**

The agreement will last for a maximum of three years. At the end of three years we would look to see whether a deposit guarantee is still required.

### **IS THE PROPERTY SUITABLE?**

Path will want to make sure that the property is suitable and that the rent is affordable. Path will check the latest Local Housing Allowance rates (published by Plymouth City Council). These rates will show how much help towards the rent the tenant could hope to achieve and we use this to decide whether or not a property is affordable.

### **WILL PATH MANAGE THE PROPERTY?**

No. Path will administer the Deposit Guarantee scheme only. You will still be responsible for collecting rent and managing the property.

If you require a property management service, please call Plymouth Homes4Let. For more information about this service please see [www.plymouthhomes4let.co.uk](http://www.plymouthhomes4let.co.uk)

### **CONDITION OF THE PROPERTY**

Your property must be fit to live in and risk free. There must not be any problems with damp or serious disrepair and it must be safe.

The property must have a valid gas safety certificate that is renewable yearly and ideally have had a NICEIC electric safety test which is valid for five years.

### **WHAT RULES ARE THERE ABOUT HEATING THE PROPERTY?**

The law states that there must be some means of fixed heating in the living room for the property to be fit to live in. However, it is important to bear in mind that if there is no heating in **all** the habitable rooms this is likely to make it difficult for your tenant to heat the property. This could result in condensation problems, especially black mould growth.

## **INVENTORY**

This is detailed list of what is in the property. It gives details about the condition of each room and also the contents. Before the tenant moves in Path we will take digital photos when the tenant moves in as a photographic record of the condition of the property. We will also take specific photos of any signs or damage or disrepair that is visible at the tenancy start.

When the tenant leaves the property you would need to let Path know. We may inspect the property before we would be able to consider any claim against the Deposit Guarantee for damage or loss.

If any improvements are made to the property during the tenancy you should update the inventory and make Path aware of the changes. You should also do this if you take anything out of the property.

## **MAKING A CLAIM UNDER THE SCHEME**

The total amount you can be paid under this scheme will be agreed when the agreement is signed. It will not usually be more than one months rent.

You can only claim against the DG when the tenant has left the property.

It is your responsibility to inform Path when your tenant has left the property.

If you intend to claim against the deposit guarantee you must notify Path within 21 days from the end of the tenancy.

## **CAN I MAKE A CLAIM FOR DAMAGE AND RENT ARREARS?**

Yes but the total amount will not exceed the amount agreed in the signed agreement.

If the amount of damage or arrears is more than the amount of the DG you can take legal action against your tenant in the county court.

### **WHAT HAPPENS TO MY TENANT IF I MAKE A CLAIM UNDER THE SCHEME?**

Path will refuse further help and support to the tenant until the amount paid has been recovered. It is also possible that the tenant will be unable to apply for council housing in Plymouth. Our scheme receives funding from Plymouth City Council so whilst there is a debt against our scheme the client may be ineligible to apply on the council waiting list.

### **HOW DO I MAKE A CLAIM?**

Should you wish to make a claim you will need to submit the claim form that is issued at the start of the tenancy. If you lose this form, you may request another from the Path office.

To assess a claim for damage or loss you must inform Path so that we may inspect the property to assess the damage. Photographic evidence will be collected. This can be done before a claim form is submitted. You will then need to carry out the repairs and submit receipts to Path for the claim to be paid.

If the claim is for rent arrears you will need to submit the tenants rent record for evidence.

### **WILL I AUTOMATICALLY BE PAID THE FULL AMOUNT ALLOWED UNDER THE SCHEME?**

No. You will only be paid what you are entitled to.

### **WHAT IS NOT COVERED BY THE SCHEME?**

Path will not cover the costs that have incurred as a result of your tenant not paying gas, electricity, telephone, water rates or council tax. You will not have to incur these costs if you inform the companies in writing that you are no longer responsible for these accounts.

We will also not be able to pay a claim when damage has been done to a communal or shared area of a house unless proof can be ascertained that the tenant covered by the Bond caused the damage.

### **CAN I APPEAL AGAINST THE DECISION IF I DO NOT AGREE?**

Yes. You must contact Path within 10 days of the letter notifying a decision.

## **WILL I GET ANY SUPPORT DURING THE TENANCY?**

If you experience any problems during the tenancy you can contact Path staff who will endeavour to help if we can. They can:

- Contact Housing Benefit for more information
- Contact the client with regards to sorting out any Housing Benefit Issues
- Refer tenants for tenancy support where appropriate
- Do on-spec visits to clients house to assist sorting out problems

## **WHAT NEXT**

If you are interested in housing clients through this scheme, and would like some potential tenants referred to you, you can contact Path's Deposit Guarantee team on 01752 305955.

When a suitable client has been interviewed by the Deposit Guarantee Team they will receive a letter confirming they have been agreed for help. They will be able to take this confirmation letter to any property viewings to show that they have in principle been agreed for assistance.

You will need to interview the client to identify if they are suitable for your requirements.

If you are considering housing the prospective tenant, we will want to ensure that the property is affordable in line with Housing Benefit. Please do not sign a tenancy agreement with any new tenant unless we have confirmed that we will be able to help.

If the property is affordable for the tenant we will telephone you to confirm the tenancy details and arrange to complete an inspection.

You will be required to provide Path with a copy of the tenancy agreement, having been signed by yourself and the tenant.

## **Local Housing Allowance & Housing Benefit**

Local Housing Allowance was introduced in April 2007 and is the new way in which Housing Benefit claims are assessed for privately rented properties.

The majority of tenants coming through the Deposit Guarantee Scheme will be claiming Local Housing Allowance in order to pay their rent.

The Local Housing Allowance Rates are published every month so you can see in advance the amount of benefit that a tenant could get towards paying the rent on your property.

### **Rates**

To work out which rate a prospective tenant may get who can use the following criteria. Each of the following are allowed one bedroom:

- An adult over 16
- A couple
- A child under 16
- Any two children of the same sex under 16
- Any two children under 10

The Shared Room Rate applies to any person living in shared accommodation, or bedsits with shared facilities. The Shared Room Rate is the maximum a tenant under 25 can claim.

### **Landlord Direct Payments**

Any tenant being housed through the DG Scheme will be able to have the 1st 6 months benefit paid direct to landlord as the tenant will be considered vulnerable as a result of homelessness.

### **Payments in Arrears**

As with Housing Benefit payments, LHA is paid 4 weekly in arrears to landlords and 2 weekly in arrears to tenants.

# Path Deposit Guarantee Depreciation Policy

We want to be as clear as we can about how we will treat claims against deposit guarantees.

In all cases we hope that by negotiation and communication we will be able to resolve all claims fairly without using this policy.

Where there is a dispute that cannot be resolved in this way we will use the following guidelines to assess a claim. We have taken information from the policy supplied by the Association of Residential Letting Agents.

If you disagree with our decision you can write a letter to the Director (and, if not then, by further appeal to our board of trustees) asking them to re-consider the claim.

## **Wear and Tear**

Fair wear & tear has been defined in part through the legal process. A tenant cannot be held responsible at the end of a tenancy for changes to a property's condition caused by what the

House of Lords has called "reasonable use of the premises by the tenant and the ordinary operation of natural forces (i.e. the passage of time)."

Fair Wear & Tear must take into account:

- The quality and age of the supplied item
- The condition at the start of the tenancy
- The condition at the end of the tenancy
- Any extenuating circumstances

It is important to realise that the Law does not allow for betterment. This means that a landlord can not expect to have old replaced with new at a tenant's expense. A fair wear and tear allowance **must** be considered.

A tenant has a duty of care to return the property at the end of a tenancy in the same condition, fair wear & tear excepted, as that recorded on the inventory at the start of their tenancy. On this basis it is important for a full inventory to be carried out. Where appropriate, Path can carry out an inventory to help with the assessing of claims at the end of a tenancy.

Decorations have an accepted life expectancy. However, there may be circumstances where **excessive** wear and tear requires a tenant to pay compensation or charges to make good e.g. numerous nail or picture pin holes, torn wallpaper, stains, and gouges in walls/woodwork etc.

## **Expected life-span of an item when new:**

Carpet	10 years
Furniture	10 years
Washing Machine	8 years
Cooker	8 years
Refrigerator/freezer	8 years

## **Depreciation**

Depreciation of an item will increase as a percentage over an item's life span. For example a cooker costing £500 would decrease at 12.5% over 8 years at £62.50 a year. After six months the expected cost to replace would be £468.75, after 5 years £187.50.

So we will want to know when an item was bought, and how much it would cost to replace.

For example a washing machine can be bought new at about £350 or second hand at about £50.

Minor damage to an item - for example a stain on a carpet would perhaps be charged at £15- £35 e.g. the cost of a 'spot' clean or the tenant's contribution to clean the whole item. A chip on a work surface again may be charged at around £30. If the landlord chooses to replace as new, the deposit cannot be used to cover the full cost, only a portion of that.

## **Decoration**

Painted and wallpapered surfaces over time will show signs of wear and tear. As stated, excessive nail holes may be above what would be considered wear and tear. Where there is a dispute over the 'excessiveness' of scuff marks or general soiling of the walls, Path will agree to pay out on a share of the redecoration allowing for fair wear and tear.

Path/2009

# DEPOSIT GUARANTEE AGREEMENT



Midland House  
Notte Street  
Plymouth  
PL1 2EJ

Telephone: 01752 305955  
Fax: 01752 306765

Email: [info@plymouthpath.org](mailto:info@plymouthpath.org)  
[www.plymouthpath.org](http://www.plymouthpath.org)

<b>AGREEMENT DATE</b>	_____
<b>AGREEMENT VALUE</b> £	_____
<b>RENT IN ADVANCE</b> £	_____

**The Landlord/Agent Details**

**Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Postcode:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Tenant Details**

**Name:** \_\_\_\_\_

**Property:** \_\_\_\_\_

\_\_\_\_\_

**Postcode:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

Rent set by landlord/agent (week, calendar month): £

The Deposit Guarantee: Is the promise made by Path to pay the landlord/agent under the following conditions.  
The amount is no more than one months rent.

A sum up to this amount can be claimed from Path at the end of the tenancy when the tenant leaves and owes:

- A) rent arrears for this property
- B) uninsured loss or damage to the property or contents of which the tenant had sole occupancy and responsibility during the tenancy (I.E not communal areas in shared accommodation).

The Deposit Guarantee is valid for up to three years from the date it is issued. If the tenancy ends within three years a landlord or agent can make a claim against the Deposit Guarantee, providing it is within 21 days from the date the tenant leaves. As the agreement reaches the end date at three years, if there are rent arrears Path will accept a claim at this stage.

## **Landlord/Agent Obligations**

1. Claims against the Deposit Guarantee must be made within 21 days from the end of the tenancy.
2. The landlord should inform Path of the end of the tenancy. No claim for theft or damage can be accepted unless it has been reported to Path and an inspection made.
3. To provide at least a six months assured shorthold tenancy and to provide the tenant and Path with a copy.
4. Agree to keep an accurate record of rent received, both direct payments of housing benefit and any paid by the tenant.
5. To let Path know as soon as possible any problems that may arise during the tenancy.
6. To ensure the tenant understands the payments for rent due under the terms of the tenancy.
7. The Deposit Guarantee is not transferrable unless agreed by Path.

## **Tenant obligations**

1. To abide by the tenancy agreement.
2. To agree that the rent is the tenants sole responsibility.
4. The Deposit Guarantee can only be claimed by landlord/agent, not the tenant.
5. Any loss or damage is the responsibility of the tenant. Path has no further liability for any damage over the value of the Deposit Guarantee and may take action to recoup any loss from the client.
6. To let Path know if you plan on moving out or if a notice is served to evict you.
7. To agree to contact Path every six months for a review of your circumstances.
8. To understand that Path has not made any assessments about the suitability of the property.

## **Joint Responsibilities / agreements.**

1. To sign the inventory as a correct record.
2. To allow Path staff to access the property at the start and end of the tenancy to complete an inventory or to investigate a claim against the Deposit Guarantee.
3. The Deposit Guarantee cannot be claimed against for gas, electricity, water or council tax debts, which are the responsibility of the tenant and landlord/agent.
4. Any debts incurred during the tenancy should be charged to the tenant as applicable and a claim made against the deposit **only** when the tenant fails to cover these costs.
5. The amount of the Deposit Guarantee is the maximum liability which Path may have for any loss, damage or rent arrears.
6. To refer any dispute concerning the Deposit Guarantee through an appeals panel consisting of

Signed  
**Landlord/Agent** \_\_\_\_\_ Date

Signed  
**Tenant 1** \_\_\_\_\_ Date

**Tenant 2** \_\_\_\_\_ Date

Signed

# Claim Form

<b>Landlord/lady Name</b>			
<b>Address</b>			
<b>Tenant's Name</b>			
<b>Address</b>			
<b>DG No:</b>		<b>Amount</b>	£

<b>DETAILS OF CLAIM – please complete in full</b>			
<b>Amount of claim for rent arrears</b>	£		
IF CLAIMING FOR RENT ARREARS PLEASE ENCLOSE A COPY OF THE RENT ACCOUNT			
<b>Date Tenant left</b>			
<b>Reason for claim for damage/loss</b>			
<b>Amount of claim for damage/loss (please enclose estimates/receipts)</b>	£		
<p><b>DECLARATION:</b> I understand that this claim will be investigated by <b>Path</b> (Plymouth Access to Housing) before a payment is made. I agree to co-operate with Path in any investigations connected with this claim.</p>			
<b>SIGNED: Landlord/lady</b>		<b>Date:</b>	

**Return to: DG Team, Midland House, Notte Street, Plymouth, PL1 2EJ  
Phone: 01752 305955**

## **Guidance notes - before making a claim**

- Contact the Deposit Guarantee team on 01752 305955 to advise of the date the tenancy is due to end.
- If making a claim for damage we will need to come and inspect the property to complete a damage report, please contact Path to book an appointment. At the inspection we will compare the inventory and digital photos to the current condition. We will then write a report in order to assess the claim.
- Landlord/Agent will then need to submit a claim form within 21 days of the tenancy ending or the date you were aware the tenant has left. We cannot accept a claim after this period.
- If making a claim for rent arrears you will need to enclose a copy of the rent account showing all debits and credits from the tenancy start to end date.
- When Path has received everything they need to assess the claim we will make a decision within 14 days. Payment will then be sent to Landlord/Agent via cheque.

We want to be as clear as we can about how we will treat claims against deposit guarantees. In all cases we hope that by negotiation and communication we will be able to resolve all claims fairly. However if this is not the case we have a Path Deposit Guarantee Depreciation Policy. If you would like to receive a copy of this please contact the Deposit Guarantee team on 01752 305955.



Midland House  
Notte Street  
Plymouth  
PL1 2EJ

**Telephone:** 01752 305955  
**Fax:** 01752 306765

**Email:**  
pathbond@plymouthpath.org  
[www.plymouthpath.org](http://www.plymouthpath.org)

Date Issued:

Valid Until:

Dear "Tenant"

### **Plymouth Deposit Guarantee Scheme**

This letter is to confirm that Path has agreed to assist you through the above scheme to help you secure a new home in the private rented sector.

**If your chosen property meets an affordable rent against the Local Housing Allowance**, we will guarantee a deposit at up to one month's rent for a period of up to three years.

You will need to look for accommodation that falls within the local housing allowance. Once you have found an affordable property you need to view it and determine whether the landlord will require a months' rent in advance/administration fee as well as a deposit. If so, you will need to find these costs through your own means or apply for it via a crisis loan, budgeting loan or community care grant where applicable.

Once this information has been established please contact your Deposit Guarantee Worker to confirm the details of the Landlord, Property and amounts required to secure the tenancy. This is so we can ensure it is an affordable property and to arrange a move in date where you the Landlord and a representative from the Deposit Guarantee team can attend.

We will review you circumstances on a regular basis during the tenancy and can offer advice and assistance should problems occur.

You can show this letter to prospective landlords as evidence of support, and they are welcome to call us on 01752 305955.

Before signing any tenancy agreement or moving into a property your prospective landlord **MUST** contact us to confirm we have agreed to help you. If we do not have confirmation of an affordable tenancy, we will not issue the Deposit Guarantee. **Do not sign a tenancy agreement unless you have confirmed the details with Path before you move in.**

Yours sincerely

*The Deposit Guarantee Team*