

# **Tamworth Borough Council Bond Scheme**

## **Policy Statement**

### **Introduction**

Tamworth Bond Scheme forms part of the 'toolkit' of options developed to assist the Housing Advice Team in preventing homelessness. This discretionary scheme was originally approved by Cabinet in November 2004 and has been in operation since funded by CLG Homelessness Prevention Grant. The Bond Scheme provides a written guarantee to a private landlord in place of a deposit. The guarantee will cover against rent arrears, damage to the property to the value of no more than eight weeks rent and the guarantee stays in place for the first six months from the date of the contract. The scheme is intended to increase access to private rented accommodation.

### **Criteria**

The following eligibility criteria need to be satisfied in order for an application for assistance under the scheme to be considered:

- The applicant must be resident within the Borough
- The accommodation they propose to rent must be in the Borough
- The applicant needs to demonstrate that they have sufficient financial resources to meet the monthly rental payments as per section 4 of the procedure
- The property that the applicant proposes to rent must pass an inspection and be free of Category 1 hazards
- All appropriate gas and electrical safety certificates must be provided by the landlord for the property
- The landlord must be willing to accept a paper guarantee or bond with a monetary value of not more than the equivalent of 8 weeks rent.
- The final decision on eligibility for the scheme rests with the Deputy Director (Housing & Health) who will have regard for all of the criteria detailed above when making a decision.

The scheme is a discretionary scheme and Tamworth Borough Council has the right to decline any application for assistance under this scheme. Any applicant whose request is refused will be provided with reasons for the refusal.

### **Risks and Mitigations**

The scheme is funded by CLG Grant allocation and the continuation of the scheme is dependent upon both the continuation of CLG Grant and a very low claim rate on Bonds provided on behalf of applicants.

In mitigation, all requests for assistance under the scheme will be evaluated in line with the criteria detailed and the accompanying procedure. In any case

where the either the financial or reputational risk to the Authority is deemed to be too high, the application will be declined.

All of the documentation provided to both applicants and landlords involved in the scheme is clear with regard to the extent of the liability of Tamworth Borough Council.

Any claim made by the landlord against the Bond will be recharged to the applicant via the Authorities sundry debtor process.

**Policy Date:** September 2011

**Review Date :** September 2013

**Approved by:** Cabinet