

# Rent Deposit Guarantee Scheme

### **Information for Landlords**

#### Purpose of the Scheme:

- The Rent Deposit Guarantee Scheme is designed to offer prospective tenants a degree of flexibility in the choice of area and type of property that best meets their needs, but who may not have immediate access to funds for a deposit.
- To allow Aberdeenshire Council to work in partnership with Landlords to meet the demand for housing and to establish good working relationships.

### What is a Rent Deposit Guarantee Scheme and how does it work?

A deposit guarantee is not an exchange of money. Aberdeenshire Council offers to act as guarantor for the deposit for the tenant. This guarantee lasts for the lifetime of the tenancy. Provided the guarantee covers the full amount of the deposit, as no money is being paid for a deposit to the landlord, then use of a Tenancy Deposit Scheme is not required.

If you would like further information on your rights as a landlord, this can be found here:

Private landlords - renting your property out - Aberdeenshire Council

Being a landlord in Scotland - mygov.scot

### How Much Can a Deposit Be?

Every year the Department of Work and Pensions (DWP) sets Local Housing Allowance Rates (LHA) for every local authority area. These rates are used to check whether a property is affordable for each tenant, when making an application for a deposit, whether a tenant is working or not. A link to the current LHA rates for Aberdeenshire is here

## Local Housing Allowance for 2024/25 - Aberdeenshire Council.

In some cases, a tenants desired number of bedrooms will not meet the number they can rent under the DWP rules. It may be helpful for you to understand how many bedrooms a tenant is entitled to is assessed, so a link to a calculator providing this information is here:

### <u>Calculate how many bedrooms you are</u> <u>eligible for : DirectGov - LHA Rates</u> (voa.gov.uk).

The deposit guarantee can also be used as part-payment towards a larger deposit. An Affordability Assessment will be done by Housing Staff with tenants in these cases. Any costs over and above the guarantee will be paid directly to landlords, by the tenant, to be placed into one of the national tenancy deposit schemes.

During the tenancy both parties can access free housing advice and support to resolve any issues that may arise, and to promote tenancy sustainability.



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#### Who is eligible?

- Anyone who has approached the Housing Options Service, and agreed to the Service
- Prospective tenants must be resident within Aberdeenshire at the time of application. Exceptional circumstances will be considered
- Prospective tenants must be able to meet the monthly rent costs

Although all circumstances are considered to prevent homelessness, an applicant with an outstanding debt due to a claim being made by a landlord for a previous tenancy under the Scheme, will not be considered.

### **Application Process**

Once an application for the Scheme has been completed with a prospective tenant, you will then be contacted to be advised of this, and to ensure you agree. This is followed up with an email to you detailing all information required to process a tenants application:

- A copy of the tenancy agreement (preferably in Word format initially)
- A copy of any gas safety certificates, if applicable
- A copy of the landlord insurance for the property
- A copy of any Electrical Installation Condition Report (EICR)
- A copy of any PAT certificates, if applicable
- An inventory or check-in report. If you require further help with this,

please contact staff or see the link provided below <u>Inventories and reports -</u> <u>SafeDeposits Scotland</u>

While the application is being processed, tenants are advised not to sign any tenancy agreement or pay any money until all checks have been completed by Housing Staff. Once these checks are done, a letter will be sent to you and the tenant advising on how much the Guarantee is, the date it starts, and contact details of Housing Staff in case issues arise during the tenancy. Making a Claim

If you wish to make a claim at the end of the tenancy against the deposit, this must be done within 6 months of the tenancy ending. Any repayments from the deposit you receive, will be equal to, or less than the deposit guaranteed. You have the right to apply to the Housing and Property Chamber First Tier Tribunal to claim any costs over and above this.

For more information about this please see the leaflet *Making a Claim* 

Please note, that Aberdeenshire Council does not make any recommendation on the suitability of a tenant and landlord's would be advised to conduct their own reference and affordability checks, if required.

Did you know that Aberdeenshire Council offers a free property advertising page for landlords. Please see our webpage here -<u>Private Rented Sector Advertising</u> <u>Aberdeenshire - Aberdeenshire Council</u>