

# DEPOSIT GUARANTEE SCHEME

A Guide for Private Landlords  
and Tenants



# PRIVATE LANDLORDS AND TENANTS DEPOSIT GUARANTEE SCHEME

Private landlords require a deposit, of at least 4 weeks rent, to be paid at the start of a private rented tenancy.

If you are unable to pay the deposit yourself, you can apply to our Deposit Guarantee Scheme.

## WHAT WE OFFER

**The Deposit Guarantee Scheme supports people on low incomes to secure private rented accommodation by offering their landlord a written guarantee in place of a cash deposit.**

If your request to access the scheme is accepted, the Council will sign an agreement with your landlord to cover the cost of the deposit. No cash is transferred to the landlord or tenant. The landlord will claim the money from the Council at the end of the tenancy if there are grounds to make a claim against the deposit.

The deposit is equivalent to one month's rent (up to a maximum of the Local Housing Allowance (LHA) rate applicable to the household)

# BENEFITS OF THE DEPOSIT GUARANTEE SCHEME

## For Landlords

- tenant sustainability and affordability checks completed by Council
- deposit guaranteed for duration of the tenancy
- access to private rented sector advice and support services
- reliable contact and support for both landlord and tenant
- inspection and photographic inventory of property prior to tenancy starting
- follow up visit from service to ensure new tenant is settling in with no issues

## For Tenants

- landlord confirmed as being a registered landlord
- advice and support to access a private tenancy when tenant has limited funds to cover the deposit
- provides tenants access to an alternative housing option
- access to quality and affordable private rented accommodation in tenants desired area
- access to a range of housing advice and council support services to help set up and sustain the tenancy
- provides tenant time to save for a future rent deposit
- follow up visit from service to ensure new tenant is settling in with no issues



## ELIGIBILITY

The tenant will be assessed by Homelessness Services and must meet the following criteria:

- in housing need and on a low income
- being supported by or in contact with Homeless Services
- require accommodation in Scottish Borders
- have a local connection to Scottish Borders
- no other way of paying the deposit (i.e. no savings)
- must be over the age of 16
- able to meet affordability criteria to sustain ongoing rent payments

## HOW DOES IT WORK?

The tenant must discuss a referral for the Deposit Guarantee Scheme with a Homelessness Case Officer when they have identified a suitable private rented tenancy.

Once a referral form has been submitted, the Homelessness Case Officer will complete all necessary application checks and contact the landlord to discuss the Deposit Guarantee Scheme. If the landlord agrees to accept the tenants use of the scheme, the Homelessness Case Officer will arrange to inspect the property. A full inventory and photographs will be taken of the property to ensure it meets lettable standards and is in good condition.

Once the Council have completed a satisfactory inspection and the agreements for the Deposit Guarantee have been signed by the landlord, the tenant and landlord can arrange to sign the tenancy agreements and agree a tenancy start date.

### Follow up visit

The scheme offers the tenant a follow up settling in visit 4-6 weeks after they have started their tenancy. Any issues the tenant may have can be discussed with the Homelessness Case Officer and if additional support needs are identified, suitable advice will be given.

## THE SCHEME COVERS

- rent arrears (up to the value of LHA rate for property size and evidenced with a rent statement)
- cleaning bill (over and above normal end of tenancy)
- damage (beyond fair wear and tear)
- missing items listed on the scheme inventory (registered by Council)
- a private residential tenancy in the Scottish Borders

## THE SCHEME DOES NOT COVER

- rent in advance
- unpaid utility bills
- legal fees
- damage or missing items (that is covered by insurance):
  - to communal areas
  - from normal wear and tear to the furniture, fixtures, and fittings
  - to any items not on the agreed inventory
  - caused by criminal act
- gardening



## HOW LONG DOES THE DEPOSIT GUARANTEE COVER?

The deposit guarantee covers a tenancy from a minimum six-month tenancy agreement. It will cover damage caused by the tenant to the property or items registered on the inventory up to the agreed amount.

The scheme provides tenants the time to save enough money to pay for future deposits. The tenant is also required to agree a Payment Plan with the landlord or letting agent to contribute towards paying for the deposit where required.

## RENT PAYMENT OPTIONS

If you need help to pay your rent, you can apply to claim Local Housing Allowance (LHA). It is useful to know what LHA award you are entitled to and what rent you can afford, prior to finding a suitable private tenancy.

To confirm the current Local Housing Allowance Rates for the Scottish Borders, please use the links below or contact Scottish Borders Council on 0300 100 1800:

<https://www.scotborders.gov.uk/housing-benefits/benefits-private-tenants>

Local Housing Allowance: Indicative rates for 2024 to 2025 - [GOV.UK\(www.gov.uk\)](https://www.gov.uk)

Local Housing Allowance payments are paid to tenants as part of their awarded Universal Credit benefit. Landlords and tenants must discuss and agree how rent payments are to be made for the tenancy.

If your LHA does not cover all your rent, you may be entitled to apply for a Discretionary Housing Payment. Contact the Council for more information.

## ENDING THE TENANCY

When the tenancy terminates, the landlord/letting agent and tenant should complete an inspection of the property. An Officer from the Homeless Services can attend the inspection if required by either party.

## LANDLORD MAKING A CLAIM

Should a landlord need to make a claim for damage caused by the tenant at the end of the tenancy, an invoice outlining the work required and costs will need to be submitted to the council.

**The Council will only pay out the agreed deposit guarantee amount when a landlord claim is submitted.**

## FURTHER INFORMATION

For further information contact the below service or refer to the Deposit Guarantee Scheme 'Information for Tenants Leaflet' and 'Information for Landlords Leaflet'.

## HOMELESSNESS SERVICES

Galashiels Area Office, Paton Street,  
Galashiels TD1 3AS

tel: 01896 661 385

email: [homelessnessservices@scotborders.gov.uk](mailto:homelessnessservices@scotborders.gov.uk)

[www.scotborders.gov.uk](http://www.scotborders.gov.uk)

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