

# **Coronavirus (Covid-19) Tenant Grant Fund**

## **Guidance for Local Authorities**

**17 September 2021  
Version 1.0**

**Information in this document is provided by the Scottish Government, in conjunction with the Convention of Scottish Local Authorities (CoSLA), to all Scottish local authorities. This Guidance is a live document, and updated versions will be provided to local authorities as and when required.**

**Important information**

- Each local authority has been awarded an allocation, based on the distribution agreement between CoSLA and Scottish Government – to be used this financial year, ending 31 March 2022. There will be no further allocations.
- Any grant award to a landlord should be a one-off award, and only cover a period of under 12 months. Otherwise it could be classed as an annual payment, and would have tax implications for the tenant. **In practice, any award would be based on the actual period when the rent arrears occurred, which in most cases will be a less than 12 months.**
- The grant is to help prevent homelessness and sustain tenancies by directly reducing, alleviating or paying off rent arrears altogether, where a tenant is in either the social or private sector, and has faced difficulties due to Coronavirus. The period the grant covers is between 23 March 2020 and 9 August 2021. Any arrears accrued before 23 March 2020, and after 9 August 2021, cannot be covered by this grant.

**Background**

On 23 June the Deputy First Minister announced the Scottish Government's intention to launch a £10m grant fund later in the year to support private and social rented tenants who have incurred rent arrears as a direct result of the Covid-19 pandemic.

The £10m fund will enable local authorities to respond in a discretionary and flexible way in order to assist tenants struggling with rent arrears who are at risk of homelessness as quickly, and efficiently as possible. Through this fund, the Scottish Government will provide a one-off grant to each local authority in Scotland. Details of the allocations for individual local authorities, and the broad parameters for distributing this funding, are set out in this guidance.

The document sets out guidance for local authorities regarding the basis on which allocations from the Tenant Grant Fund are made to local authorities and sets out high level parameters which local authorities should take into account when using this funding to support tenants.

**This Guidance has no statutory basis. It is not intended to constitute and should not be interpreted as legal advice on the contractual arrangements necessary for a local authority to pay a grant to a landlord. Local authorities should obtain their own independent legal advice on any correspondence or contractual documents passing between them and a landlord or tenant.**

This document has been developed by the Scottish Government in conjunction with COSLA, the Association of Local Authority Chief Housing Officers (ALACHO) and both social and private housing stakeholders.

## **1. Purpose of the funding**

The purpose of the Tenant Grant Fund is to mitigate the short to medium term financial challenges being experienced by tenants adversely impacted by restrictions and regulations introduced since March 2020, to control the spread of COVID-19.

This fund enables local authorities to prevent homelessness and sustain tenancies by directly reducing, alleviating or paying off rent arrears altogether where a tenant is in either in the social or private rented sectors, and has faced difficulties due to Coronavirus. Local authorities have discretion, as to payment in individual cases and should consider whether the payment is necessary or justified action to avoid the tenant becoming homeless. This recognises the experience that local authorities have in supporting people in a housing crisis, and will help identify where funding would be most effectively provided.

The main focus of the grant funding is to support those most at risk of homelessness, in circumstances where tenancies can be saved through such intervention. By contributing to the payment of rent arrears, this funding may also assist the landlord and tenant in reaching a repayment agreement as part of the pre-action requirements process.

The grant may be particularly supportive to tenants in the private rented sector, given private landlords may have lower ability to manage sustained rent arrears in the longer term and the greater risk of homelessness these tenants may face.

The grant fund is flexible, enabling local authorities to exercise a large degree of discretion in administering it, as part of a broader holistic homelessness prevention approach. It can be used alongside other existing tools and financial support such as Discretionary Housing Payments (DHPs), benefits checks etc., and it can cover a proportion, or all, of a tenant's rent arrears. It can also be used where other solutions aren't available and local authorities will be best placed to identify priority cases, to ensure the fund is targeted at those who need it most.

The grant fund could assist landlords and tenants in reaching a repayment plan, possibly as part of the pre-action requirements. So, as a further option that could be explored, where it has not been possible to agree a reasonable and sustainable repayment plan, the grant fund could assist the tenant and landlord to come to a reasonable arrears repayment plan. For example, this could include a proportion of the arrears being paid off by the grant fund, alongside the landlord reducing the amount of arrears owed, (if it is able to do so, without causing undue difficulty) and providing income maximisation support to the tenant resulting in a more manageable level of debt to repay. However, there could be private landlords who are also facing financial difficulty as a consequence of the pandemic and may be unable to contribute to a reduction of the debt, and the local authority could take this into account. Where the landlord is a social landlord, they must make reasonable efforts to provide the tenant with advice and assistance regarding grants.

This non-statutory guidance supports local authorities in making decisions on how they should distribute this funding, while recognising the variability within and across local housing systems will demand differing approaches.

## **2. How grants will be provided**

Local authorities will be responsible for distributing grants to tenants based on the allocation they receive from the £10m discretionary funding pot.

### Allocation of funds to local authorities

We have worked closely with COSLA to agree a methodology for determining individual allocations to local authorities. COSLA Leaders' Group agreed that the allocation of the £10m to local authorities through the Tenants Grant Fund was to be paid on the basis of 50% homelessness and 50% Discretionary Housing Payment (Other). Further details on the methodology is as below:

- 'homelessness' element uses the current homelessness GAE funding allocation methodology across local authorities for the delivery of local authority homelessness services, which is based on the average numbers of applications to local authorities under the homeless persons legislation that were assessed as homeless or threatened with homelessness (both intentional and unintentional), over the three years 2017/18 to 2019/20. This excludes any data for the more recent year 2020/21, to maintain consistency with the time periods of data used in the current homelessness GAE allocation methodology.
- 'DHP (Other)' element is a fixed amount that is given to Local Authorities, to spend at their discretion, between DHP Core, Local Housing Allowance, and Benefit Cap mitigation.

Notification of each local authorities allocation from the £10m Tenant Grant Fund was provided via a letter issued to Chief Executives, Heads of Housing and Heads of Finance on 10 September 2021, and we ask that local authorities continue to adhere to the conditions of the grant as set out in the letter.

## **3. Who is eligible**

Local authorities can use this funding to provide direct financial support to tenants via landlords in their area as long as it is specifically for the purposes of paying rent arrears arising from the impact of the COVID-19 pandemic, to help prevent homelessness. Local authorities should ensure that the following applies:

- i. The grant fund is used specifically to help repay rent arrears that have arisen due to the Coronavirus pandemic between 23 March 2020 and 9 August 2021;
- ii. Arrears before 23 March 2020 cannot be covered;
- iii. Arrears after 9 August 2021 (based on the Scottish Government's current [strategic framework](#)) can only be covered in exceptional circumstances, where the local authority is satisfied that arrears relate to continued impact of the pandemic restrictions.
- iv. The grant should be paid directly to the landlord in order to avoid any implications for a tenant who is in receipt of other forms of financial support and on the strict condition that the landlord credits the tenant's rent account with that amount.

- v. Landlords must demonstrate that they are complying with the pre-action requirements for rent arrears and agree not to progress a repossession on the basis of Covid related rent arrears where a grant is paid and the tenant meets all future agreed rent and repayment obligations;
- vi. The grant should be targeted at vulnerable individuals/households who would become homelessness or do not have alternative sources of support;

#### What local authorities should take into account when determining who to fund

First and foremost, local authority decisions on where they should direct their funding allocations must be based on their knowledge of the local rental market and understanding of the impacts of COVID-19 regulations and restrictions on tenants within their area. Local authorities have discretion in determining who is most vulnerable.

Limits to the funding available through this scheme will inevitably require local authorities to prioritise which tenants should receive support and therefore local knowledge will be vital in determining where the funding can most effectively be deployed.

This grant covers any arrears accrued within the time frame indicated above in order to target Covid-related arrears. However, local authorities should still make enquiries, as to any relevant circumstances.

As an example, where the local authority find that full housing costs had been paid directly to the tenant but they did not then pay their rent, and the local authority may consider whether it would be beneficial to help the tenants to better manage their finances.

Local authorities can use discretion to review cases where, though the pre-action requirements have been followed, a notice of proceedings or a notice to leave has already been served prior to any grant funding release. In these situations, if the landlord was willing to suspend or withdraw this notice in return for a payment from the Fund, the tenancy could be sustained. However, the local authority may wish to see evidence of the notice being suspended or withdrawn prior to making payment.

**Further key considerations - which local authorities should pay close attention to in deciding whether a Tenant Grant Fund payment is appropriate - are set out on page 9 of this guidance.**

#### How tenants will receive funding

There is no standard application process that a tenant must go through. Instead, local authorities will use their discretion to decide how to administer the grant. A grant may be appropriate in individual circumstances to help sustain a tenancy to prevent eviction and homelessness or it may be appropriate in order to support a tenancy being brought to an end without the tenant being responsible for rent arrears. Any grant award will be paid directly to the landlord.

The following potential – but not exclusive - pathways have been identified in relation to a tenant receiving grant support:

- A tenant presents with financial related housing difficulties and is at risk of homelessness, or is referred by a third sector organisation or housing advice organisation.
- On receiving a section 11 notification from a private landlord of intent to evict, or direct contact from a landlord or letting agent concerned about a tenant in rent arrears, a local authority may wish to explore whether the grant could prevent eviction.
- Following presentation for support by a tenant – the local authority should evaluate the situation and consider if pre-action requirements have already been followed. If they have not, consideration should be given to all existing sources of funding available (i.e. Discretionary Housing Payments etc); other support such as income maximisation checks and supporting dialogue between the tenant and landlord to come to a suitable arrangement.
- Similarly, where the landlord or letting agent contacts the local authority regarding a tenant in rent arrears, the local authority should evaluate the situation and consider if pre-action requirements have already been followed and whether the tenant is engaging with the landlord. Again, consideration should be given to all existing sources of funding available (i.e. Discretionary Housing Payments etc), income maximisation checks and encouraging dialogue between the tenant and landlord to come to a suitable arrangement. Early intervention by a local authority, as an independent third party, particularly where a private tenant is not engaging may help to restart dialogue and identify a resolution.

The following potential – but not exclusive – actions that could be taken - have been identified in relation to supporting tenants:

- If it is clear to a local authority that payment of Covid related rent arrears would enable the tenant to remain in their tenancy and therefore, prevent eviction and homelessness, and no other support is available, awarding a grant would be a suitable solution.
- The amount offered will depend on the individual tenant's circumstances (for example, if the landlord has agreed reductions in rent, then that should be taken into consideration). Any grant award to a landlord should be a one-off award, and only cover a period of under 12 months.
- Both the landlord and the tenant should be advised that a grant payment to reduce or clear rent arrears should be seen as a 'fresh start', meaning past Covid-related arrears (accrued within the applicable timeframe) paid off by the grant, will no longer be considered as a ground for future eviction action.
- To support local authorities in engaging with landlords and tenants on grant payments made, a toolkit of correspondence has been provided in Annex A.
- Depending on the individual circumstances of the case, local authorities may wish to ask landlords to write off a proportion of the rent arrears (if the landlord are able to do so, without causing undue difficulty, or undue impacts on other tenants), in return for the remainder of the debt being covered by a grant.

**To support local authorities in engaging with landlords and tenants on grant payments made, a toolkit of correspondence has been provided in Annex A.**

Local authorities are required to make enquires to satisfy themselves of the validity of a tenant's financial and housing situation and that they are working with their landlord to resolve the position. They should consider what supporting information is requested and required to determine eligibility for a grant. Some households may have irregular employed income, for example - many low income households may be working in the 'gig economy', and this should be taken into consideration.

Local authorities should also be engaging with landlords to be assured that the relevant pre-action requirements have been followed. Local authorities should seek confirmation of previous rental payments and arrears claimed for by the landlord, and that those arrears relate to financial difficulties caused by Covid-19. It is crucial that a landlord is willing to work closely with the local authority and the tenant to sustain the tenancy.

As local authorities will be aware, private landlords must also register with local authorities, where they have let properties, and details can be found at [Scottish Landlord Register](#), or with your local private rented sector team. Some local authorities have developed local processes for checking with the Landlord Registration team. It is a criminal offence to rent out a property without having made a valid application for registration.

Given local authorities' responsibilities for managing public funds, it is up to each local authority to ensure that procedures for administering the grants are suitably robust, including due diligence to mitigate against fraud and for audit purposes. This should include giving due regard to the principles for [effective fraud control](#) and having appropriate control mechanisms in place.

We will not hold local authorities financially liable for payments associated with fraud and error. The exception to this would be circumstances where a local authority is found to be in material breach of the relevant UK Government fraud control guidance. Local authorities should ensure that a landlord's claims are verified with the tenant.

### Role of Pre-Action Protocol Requirements

The pre-action requirements provide an important tool for supporting landlords and tenants to ensure they have explored all options for managing the repayment of rent arrears before taking action in court to repossess a property. They are intended to encourage dialogue between the tenant and landlord and provide evidence of the steps landlords have taken to support their tenant to pay their rent and ensure that eviction action is a last resort.

In summary, the pre-action requirements for social and private landlords are to:

- i. **Provide the tenant with clear information relating to:** the terms of the tenancy agreement, the amount of rent for which the tenant is in arrears; the tenant's rights in relation to proceedings for possession of a house (including the pre-

- action requirements); and how the tenant may access information and advice on financial support and debt management.
- ii. Social landlords must also make reasonable efforts to provide the tenant with advice and assistance on the tenant's eligibility to receive benefits, loans and make reasonable efforts to provide the tenant with advice and assistance regarding grants and provide the tenant with information about sources of advice and assistance in relation to management of debt.
  - iii. **Make reasonable efforts to agree a reasonable plan with the tenant to make payments to the landlord of:** future payments of rent; and the rent for which the tenant is in arrears.
  - iv. **Give reasonable consideration to:** any steps being taken by the tenant which may affect their ability to make payment to the landlord of the rent for which the tenant is in arrears within a reasonable time; the extent to which the tenant has complied with the terms of any agreed plan; and any changes to the tenant's circumstances which are likely to impact on the extent to which the tenant complies with the terms of an agreed plan

Specific guidance has been provided to support [private](#) and [social landlords](#) to understand and comply with the pre-action requirements. It is expected that in order for a grant to be paid, landlords must have undertaken all the steps required in the pre-action requirements.

Where a landlord has not fully complied, they should be required to do so and further support should be offered to both landlord and tenant in order to reach an agreement. If agreement would be possible on the basis of rent reductions or the writing off of some rent, the grant may form a part in facilitating this agreement alongside other prevention approaches (i.e. benefit entitlement and income maximisation checks).

#### Ongoing proceedings for eviction or repayment of rent arrears

Where a private landlord has an ongoing application to the First-tier Tribunal for Scotland (Housing and Property Chamber) (the "Tribunal) and is applying for consideration for a grant award, they could request for the Tribunal to *sist* (pause) the application until the outcome of the grant is decided. This will be a matter for the Tribunal to consider.

Should a grant award be made, the private landlord should withdraw any ongoing application with the Tribunal, as the rent arrears which were the subject of eviction or repayment proceedings would be reduced or repaid in full. Adjourning proceedings would allow time to determine whether the arrears can be paid off in full by the grant or, if arrears are only reduced, it may allow time to determine if a sustainable repayment plan can be agreed for the remainder of the arrears. An obligation on the private landlord to seek an immediate adjournment of eviction proceedings and debt recovery proceedings is included within the "in principle" offer of grant (see **Letter [4]** in Annex A). Should the landlord accept this, they would be expected to notify the Tribunal IMMEDIATELY, so that proceedings are not progressed following payment of the grant.

Should a grant be paid, the tenant should also be notified via letter that this has happened, so that they are aware that their rent arrears have either been reduced or paid off altogether. They will also be advised to show this letter to the Tribunal.

Wording in **Letter [7]** of Annex A, points this out to the tenant and the landlord, and notes that copies of these letter should be sent to the Tribunal. This is to act as a safeguard, in case the landlord has not notified the Tribunal.

In relation to social housing tenancies, the landlord would have worked extensively with their tenant through the pre-action requirements, and eviction action is always the last resort. Social tenants and landlords may similarly wish to share the above letters with the Sheriff Court, at the appropriate points.

## KEY CONSIDERATIONS

**Though the local authority has discretion over who gets an award, there are some specific conditions which must be followed:**

- Any award must be paid to the landlord directly, and cannot be paid to the tenant, as this may affect their benefits entitlement.
- The landlord must be a local authority, a Registered Social Landlord, or registered on the Scottish Landlord Register – if a private landlord, is not so registered they must have at least made a valid application to the Scottish Landlord Register. Some local authorities have developed local processes for checking with the Landlord Registration team for private landlords. It is recognised that unfortunately, some private landlords might not be registered, and this of course calls into question whether the landlord is complying with other aspects of tenancy and housing law, and whether in fact it is possible to work with the private landlord to sustain the tenancy and address wider non-compliance issues. Similarly, where there is no tenancy agreement in the prescribed formats – please see - [Renting a home - Citizens Advice Scotland](#) – this would also indicate non-compliance.
- Both social and private landlords would already be using the existing pre-action requirements, to signpost tenants to get support. The landlord may have already agreed to a rent rebate and/or a repayment plan – which has now broken down. For the private rented sector, the Tribunal has discretion in eviction cases, and will be looking for evidence of compliance with the pre-action requirements, as part of its decision-making process.

**The local authority may wish to maximise support to the tenant and tenancy by:**

- Also working with the tenant to maximise their income though benefit checks etc. or referral to a third party organisation, such as Citizens Advice Scotland, or Shelter Scotland. Though one team might lead the administration of this grant process, they may wish to involve colleagues from other teams, especially around income maximisation.
- Where the tenant is a Registered Social Landlord (RSL) tenant, the RSL may have already tried to work with their tenant, and have satisfied themselves that every other support route has been explored with the tenant. This would ensure maximisation of funding and also has the potential of acting as a ‘pre application check’.

- Assisting the tenant and landlord to come to a (further) sustainable and reasonable arrears repayment plan. For example, this could include a proportion of the arrears being paid off by the grant fund, alongside the landlord reducing the amount of arrears owed (if it is able to do so, without causing undue difficulty), and the local authority, or others, providing income maximisation support to the tenant resulting in a more manageable level of debt to repay.
- The local authority may decide that a Tenant Grant Fund payment would not be suitable on grounds that the tenancy cannot be saved for a variety of reasons, such as the tenant's inability to pay rent even after an award has been made for Covid-related arrears. In those circumstances, the local authority is still well placed to support the tenant and may also wish to support the landlord. For example the PRS [Landlord Covid-19 Loan Support Fund](#) is available for private landlords who wish to work with their tenant to sustain a tenancy.
- Local authorities will be best placed to serve the needs of their communities. For example, the tenant may not have English as their first language and authorities may have access to, or wish to use, translation services.

**Where the local authority determines that a grant award is not suitable, it may wish to maximise support to the tenant and tenancy by:**

- providing further assistance from the homelessness team, financial inclusion or equivalent team; Citizens Advice Scotland; or Shelter Scotland.
- considering the implementation of a review process for the refusal of grant applications, or adapting a standard review processes already in place, for this purpose.

#### 4. Monitoring and reporting requirements

Local authorities are asked to provide a brief report to the Scottish Ministers setting out:

- i. the number and level of grants issued and how much grant was paid (broken down by tenure e.g. private, local authority or RSL tenant);
- ii. how many of these grants paid off the rent arrears in full or partially; and
- iii. how many tenancies were sustained – at that time - as a direct result of the grant being paid. As a suggestion, and providing that there are no GDPR issues, you may wish to check a sample of tenancies in say 6, 12 or 18 months. Should you record these details, it would be useful if this could be included in the monitoring report.

These high level reports should be submitted to the Scottish Ministers on the following dates:

- 31 December 2021, and
- 31 March 2022.

Please submit your reports to [tenantgrantfund@gov.scot](mailto:tenantgrantfund@gov.scot).

If you have any queries regarding this guidance, or how to administer the fund, please contact us at: [tenantgrantfund@gov.scot](mailto:tenantgrantfund@gov.scot).

**Scottish Government**  
**COSLA**  
September 2021

## **Local Authorities Toolkit**

This next section provides local authorities with a ‘Toolkit’ which local authorities can use, to support their work to as part of the process to make further enquiries as part of their grant consideration, as well as providing an a suggested “in Principle” offer of grant. Local Authorities are not compelled to use the resources within this toolkit, and are free to use, or not use, this toolkit. It will not, and cannot, cover every scenario.

This toolkit is comprised of:

1. An overview of the process – see below;
2. A flow chart illustrating where the Letters [numbered 1-8] fit into the process;
3. A key to the Letters, with some suggested queries you may wish to ask; and
4. Suggested Letter templates

### An overview of the process

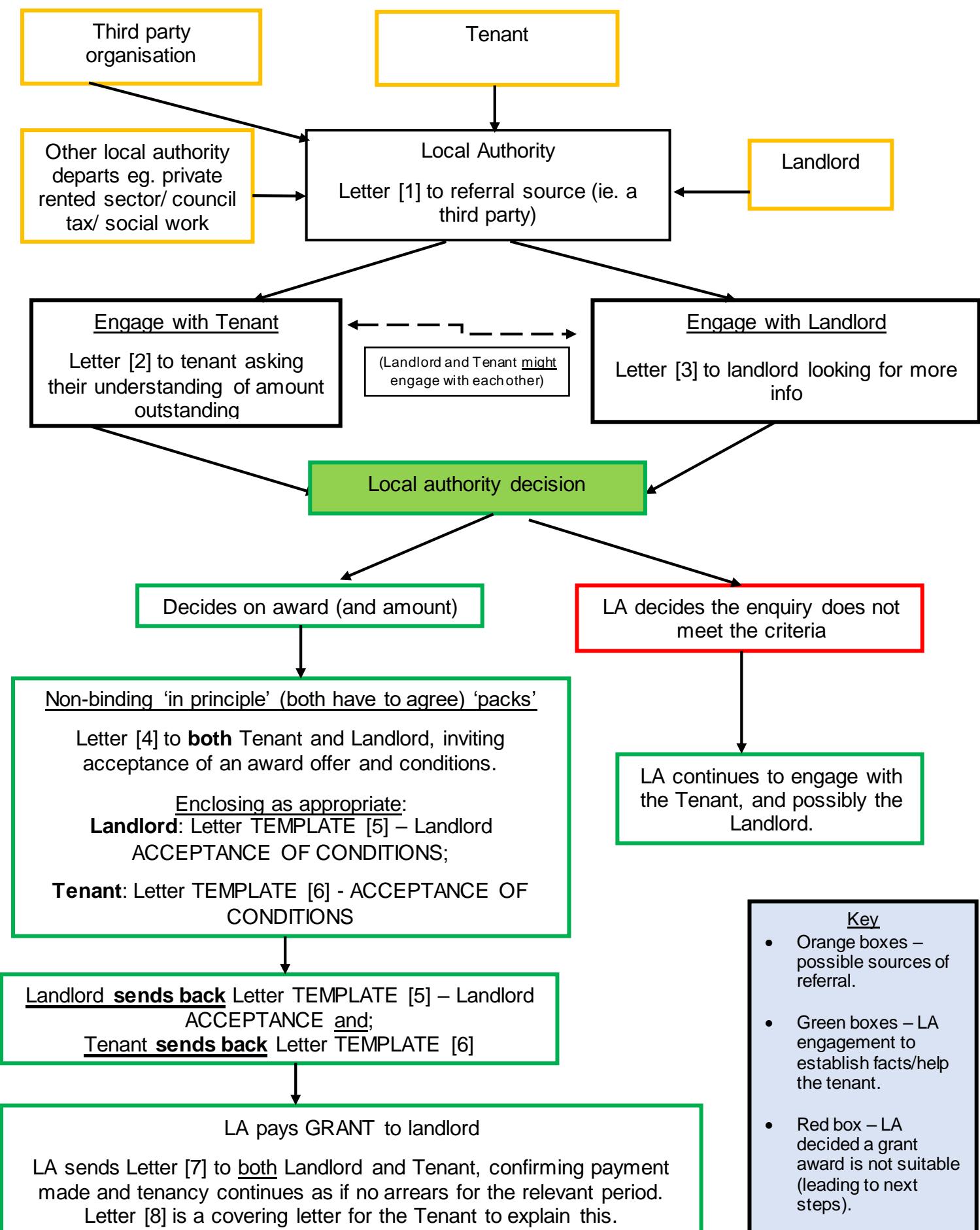
Typically, it is envisaged that an enquiry will go through the following stages:

- (optional) Enquiry is made by a third party;
- Landlord is contacted to establish the facts;
- Tenant is contacted to establish the facts;
- An “in principle” offer is made (if the case progresses) to both parties, subject to certain conditions (as set out in the style letters);
- Each party is invited to accept, on the understanding that an offer will only be made if both parties accept;
- An award is made to the landlord (if both parties accept);
- Both the landlord and tenant are notified that an award has been paid.

Both parties are invited to keep their own records, (particularly if there was an eviction action relating to the period covered by the grant).

**Where a local authority decides a grant award would not be appropriate, they would still be well placed to assist the tenant, and possibly the landlord. For the tenant, this could include further assistance from the homelessness team, financial inclusion or equivalent team; or a referral to [Citizens Advice Scotland](#), or [Shelter Scotland](#).**

Flow chart illustrating where the Letters [numbered 1-8] fit into the process



Key

- Orange boxes – possible sources of referral.
- Green boxes – LA engagement to establish facts/help the tenant.
- Red box – LA decided a grant award is not suitable (leading to next steps).

A key to the Letters, with some suggested queries you may wish to ask

- 1. Contact by a third party organisation, on behalf of a tenant – Letter [1] to acknowledge them.**
- 2. Letter [2] to tenant, you may wish to ask about the following (not an exhaustive list):**
  - a. the amount of rent arrears and the dates within which the arrears accrued, so you can check valid period claimed for, and compare to landlord's stated outstanding amount;
  - b. the Tenant's current financial status, as they will need to pay the rent going forward to keep the tenancy long term;
  - c. proof of a tenancy, for example:
    - i. copy of the tenancy agreement;
    - ii. schedule of what rent has been paid\*;
    - iii. ask what they should have paid\*;
    - iv. copy of council tax letter – or the LA could check themselves – to satisfy they reside at that address.

\*NB: though tenants might submit handwritten notes;

  - d. what steps have been taken by the landlord, referencing the pre-action requirements and whether the landlord has offered any rent reduction or agreed a repayment plan.
  - e. would a repayment plan still be possible, if some of the debt has been paid off and funds remain limited?
- 3. Letter [3] to landlord, you may wish to ask the following (not an exhaustive list):**
  - a. for their tenant to get in touch (if the local authority is approached directly by the landlord);
  - b. for evidence of compliance with the pre-action requirements and any rent reduction offered or repayment plan agreed by the landlord.
  - c. the amount of rent arrears with the amounts paid and still outstanding broken down by month. This will enable the local authority to check that the period claimed for is valid;
  - d. proof of a tenancy, for example:
    - i. copy of the tenancy agreement;
    - ii. schedule of what rent has been paid\*;
    - iii. ask what they should have paid\*;

\*NB: via bank statements, as landlords would wish to keep good unequivocal financial audits of payment.

  - e. whether a repayment plan would still be possible if some of the debt has been paid off. Is the tenant now receiving income so they can pay the rent, as well as some arrears?
- 4. Letter [4] – TEMPLATE OFFER OF GRANT.** A non-binding 'in principle' offer to both landlord and tenant where the local authority indicates the amount of grant offered and the conditions on which it is offered (\*see letters [5] and [6] which should also be enclosed as appropriate )
- 5. Letter [5] - TEMPLATE LETTER FOR LANDLORD TO SIGN, with conditions.**

6. Letter [6] - TEMPLATE LETTER FOR TENANT TO SIGN, confirming that an award has been made, and reminding them to continue to pay rent to sustain their tenancy.
7. Letter [7] TEMPLATE LETTER TO LANDLORD THAT AN AWARD HAS BEEN PAID (which is copied to the tenant – see Letter [8]). This will have details of the grant awarded (and rent arrears therefore paid off). **This letter should only be sent and the grant should only be paid if BOTH parties have sent in Letters [5] and [6] accepting the grant offer on the stated conditions. This letter narrates the agreement constituted by the Offer of Grant (Letter [4]) and the acceptances (Letters [5] and [6]). Please ensure that the Tenant receives a copy of this letter in case the landlord has not disclosed that the grant has been paid and the rent arrears have been either reduced or paid in full.**
8. Letter [8] TEMPLATE LETTER TO TENANT THAT AN AWARD HAS BEEN PAID (enclosing a copy of Letter [7] which was sent to the landlord)

**Suggested letter templates are provided in the next section.**

These templates are provided to give local authorities suggestions as to how correspondence with landlords and tenants could be structured, and to highlight the sorts of conditions which local authorities may seek to impose when paying a grant.

They are not intended as legal advice on the formation of a contract between the local authority, the landlord and the tenant. **Local authorities should seek their own legal advice as to the form and content of any documents which go towards creating a contract between them and the landlord and tenants.**

## **Letter [1] to a third party organisation**

<<Third Party Name and Address>>  
<<Reference number>>  
<<Date>>

Dear <<name of third party>>

### **Tenant Grant Fund**

Many thanks for enquiring about the Tenant Grant Fund, on behalf of your client <<tenant name and address>>.]

It is important that the tenant continues to engage with their landlord about their financial situation, as the landlord may be able to help.

This fund is designed to specifically help repay rent arrears that have occurred due to the Coronavirus pandemic between 23 March 2020 and 9 August 2021, and to prevent homelessness. Arrears before 23 March 2020 cannot be covered, as this is viewed as 'pre-pandemic'. For avoidance of doubt, any grant award cannot be used for any other purpose or any other costs or debts, and it is important that your client understands this.

Any potential award under the Fund is subject to further investigation, and it is entirely at our discretion as to whether any amount is offered or not.

The main aim of this fund is preventing homelessness. It is important that your client continues to engage with their landlord, including trying to stick to any agreed repayment plans. For avoidance of doubt, any award, if given, is paid to the landlord direct. This is so that it will not affect any benefits the tenant may be entitled to.

There is no application process for this fund, and your client should contact us at <<LA contact details>>.

Should you have any queries about the contents of this letter please e-mail us at <<Email>> or call us on <<tel. number>>.

Yours sincerely,

## **Letter [2] Responding to tenants /requests for further details**

<<Tenant Name and Address>>  
<<Reference number>>  
<<Date>>

Dear <<name of tenant>>

### **Tenant Grant Fund**

Many thanks for asking about the Tenant Grant Fund. I am writing to get more details. It is important you understand we cannot offer a grant until we also speak to your landlord. We cannot determine at this point whether a grant would be made on your behalf. The grant is to help you to keep your existing tenancy, and so both you and your landlord must agree to do this. This means that if we award a grant, this is to stop eviction from your home. The grant can only cover rent arrears that happened between 23 March 2020 and 9 August 2021 because of the Coronavirus pandemic. Arrears before 23 March 2020 cannot be covered, as this is viewed as 'pre-pandemic'. If we decide that a grant can be paid, this will mean that a one-off payment of an agreed amount of money is paid to your landlord to clear a proportion, or all of your Covid-related rent arrears.

The main aim of the Tenant Grant Fund is to stop homelessness, but both you and your landlord must continue to work together to achieve this. It is important that you keep in touch with your landlord, and try to stick to any agreed repayment plans or pay off some arrears, if you can.

You may be aware of the extra protections for tenants introduced as a result of Covid (e.g. the extension of most notice periods to 6 months), however, your landlord is still entitled to seek recovery of their property for rent arrears. A landlord can only legally evict you if they have received an eviction order by going through a legal process. To stop an eviction if you receive a grant, both you and your landlord must agree to certain steps that will save the tenancy. For example, your landlord would have to stop any eviction process, and you must agree to pay the rent going forward.

This fund is to stop homelessness (by helping clear Covid-related arrears, and allowing a 'fresh start'), but both landlords and tenants must work together to make this happen. It is important to note that a landlord may not want to receive this grant at all, which means they may not be willing to save the tenancy. They are entitled to do this, but the Tribunal (for private tenants) now has discretion in eviction cases, meaning it can take all relevant factors into consideration, when considering an order for eviction. Social tenants have similar safeguards.

For private rented tenants, the [Coronavirus \(COVID-19\): advice for private tenants - gov.scot \(www.gov.scot\)](https://www.gov.scot/coronavirus-covid-19-advice-for-private-tenants/), is a useful resource as to where and how to get help. Anyone, whether a social or private tenant can also contact [Citizens Advice Scotland](https://www.citizensadvice.org.uk/scotland/), or [Shelter Scotland](https://shelter-scotland.org/), for help.

**In order to decide whether a grant can be paid in your case, I need to ask you the following questions:**  
[list queries]

We also need to contact your landlord, **so we will need their name and address**. To be clear, if we pay out any grant, it will be paid directly to your landlord. This is so that it will not affect any benefits you may be entitled to.

Should you have any questions about the contents of this letter please e-mail us at <> or call us on <>.

Yours sincerely,

### **Letter [3] Letter to landlord to ask details of what is owed**

<<Landlord Name>>  
<<Landlord Address>>  
<<Reference number>>  
<<Date>>

Dear <<name of landlord>>

#### **Tenant Grant Fund**

Many thanks for enquiring about the Tenant Grant Fund. Further to an approach by your tenant - << tenant name and address>>, I am writing to get more details. It is important to note that we are unable to determine at this point, whether a grant would be paid to you, or not, as we also need engage with your tenant. The purpose of this funding to help you to sustain the existing tenancy with your tenant by paying off a proportion, or the total amount, of the outstanding rent arrears. In order to receive a grant, both you and your tenant must agree to do this. This means that if we were to award you funding to pay repay rent arrears that have occurred due to the Coronavirus pandemic between 23 March 2020 and 9 August 2021, this is expressly to prevent the eviction of your tenant. Arrears before 23 March 2020 cannot be covered, as this is viewed as 'pre-pandemic'.

The main aim of this fund is preventing homelessness, but both parties must work together to achieve this. It is important that you continue to engage with your tenant, including trying to agree a sustainable repayment plan, or perhaps to write off some of the arrears, if you are able to do so without causing you further difficulty.

If you are awarded a grant from the Fund, both you and the tenant must agree to certain conditions around saving the tenancy. You would have to withdraw or suspend any legal proceedings for eviction or repayment of rent arrears, and the tenant must agree to pay the rent going forward. The main aim of this fund is preventing homelessness (by helping towards the Covid-related arrears, and allowing a 'fresh start'), but both parties must work together to make this happen.

**In order to decide whether a grant can be paid in your case, I need to ask you the following questions: [list queries]**

We also require to contact your tenant, << tenant name and address>>. For avoidance of doubt, any award, if given, is paid to you directly. This is so that it will not affect any benefits your tenant may be entitled to. We will need your UK based bank account details but we will only ask for this prior to a payment being made. Please be aware that you could also be asked to provide a copy of the tenancy agreement, the agreed rent and bank statements as proof that this rent has not been paid.

Should you have any queries about the contents of this letter please e-mail us at <<Email>> or call us on <<tel. number>>.

Yours Sincerely,

## **Letter [4] Non-binding ‘in principle’ offer to both landlord and tenant**

To: <<Landlord and their Address>>  
<< Tenant and their Address>>

[INSERT DATE]

Dear <<landlord name>>,

**In principle offer of grant for the tenancy with [INSERT NAME(S) OF TENANT] in respect of the Tenancy at [INSERT ADDRESS OF TENANTS].**

### Definitions

1. In this letter, the following terms have the following meanings:

“**We**” means the [INSERT NAME OF THE LOCAL AUTHORITY];

“**the Landlord**” means [INSERT NAME AND ADDRESS OF LANDLORD], and if this is a private landlord, they are a Registered Landlord with the local authority where the “**Property**” is located (in accordance with Part 8 of the [Antisocial Behaviour etc. \(Scotland\) Act 2004](#));

“**the Tenancy**” means the residential tenancy between the Landlord and the Tenant in respect of the Property as set out in a tenancy agreement dated [INSERT DATE OF TENANCY AGREEMENT] as extended and/or amended;

“**the Tenant**” means [insert name and address of the Tenant];

“**the Property**” means [address of the Property] being the residential property rented by the Tenant from the Landlord under the Tenancy;

“**the Rent Arrears**” means £[specify actual amount] which constitutes the amount of rent incurred by the Tenant under the Tenancy Agreement between 23 March 2020 and 9 August 2021 which remains outstanding at the date of this letter as specified in paragraph **Error! Reference source not found.** below;

“**the Grant**” means the amount which is to be paid to the Landlord under the Tenant Grant Fund, as specified in paragraph 2, subject to—

- a. acceptance of this offer by both the Landlord and the Tenant; and
- b. the conditions specified in this offer of grant.

### Conditions

2. The Grant offered to the Landlord is [insert amount in figures (insert amount in words)], and will be paid subject to the conditions specified in this offer of grant.
3. The Grant will only be paid to the Landlord following the acceptance of this offer of grant by both the Landlord and the Tenant.

4. The Grant will not be increased for any reason.
5. The Grant is offered to the Landlord and the Tenant in order to contribute towards the Rent Arrears. It must not, under any circumstances, be paid to any other party.
6. The Grant must be paid be into a UK bank account in the name of the Landlord.
7. The Grant must only be used by the Landlord as payment of [the whole/a part] of the Rent Arrears. The Grant must not be used as payment for rent arrears which accrued before 23 March 2020 or after 9 August 2021.
8. A private Landlord must demonstrate compliance with the pre-action requirements set out in [section 14A of the Housing (Scotland) Act 2001/Part 2 of schedule 1 of the Coronavirus (Scotland) (No 2) Act 2020].
9. The Landlord must not seek or obtain an eviction order on grounds of rent arrears which accrued between 23 March 2020 and 9 August 2021.
10. The Tenant must comply with the terms of the Tenancy and any repayment agreement reached with the Landlord.
11. The Tenant must reside in the Property as their only residence.
12. Where a notice to leave has been served by the Landlord on the Tenant on the grounds of rent arrears, the notice must be withdrawn within one week of payment of the Grant. If no notice to leave has been served by the Landlord on the Tenant, the Landlord must refrain from serving such a notice in respect of rent arrears which accrued between 23 March 2020 and 9 August 2021.
13. Where an application has been made to the First-tier Tribunal for Scotland (Housing and Property Chamber) for an eviction order on grounds of rent arrears which accrued between 23 March 2020 and 9 August 2021, or for a payment order for those arrears, the Landlord must withdraw the application/seek an adjournment of the application within one week of payment of the Grant. If no such application has been made by the Landlord, the Landlord must refrain from making such an application in respect of rent arrears which accrued between 23 March 2020 and 9 August 2021.
14. Where a social Landlord has raised proceedings in the Sheriff Court for eviction on grounds of rent arrears which accrued between 23 March 2020 and 9 August 2021, or for repayment of those arrears, the Landlord must abandon/seek a sist of those proceedings within one week of payment of the Grant. If no such proceedings have been raised by the Landlord, the Landlord must refrain from raising such proceedings in respect of rent arrears which accrued between 23 March 2020 and 9 August 2021.
15. Upon payment of the Grant, the Rent Arrears are deemed to be paid [in full/so that only £[specify amount] remains payable to the Landlord by the Tenant].

16. The Landlord and the Tenant must take all reasonable steps to sustain the Tenancy.
17. We may withhold payment, or require immediate repayment, of the Grant or any part of it in the event that the Landlord—
  - a. raises proceedings in the First-tier Tribunal/Sheriff Court to evict the Tenant on grounds of rent arrears which accrued between 23 March 2020 and 9 August 2021; or
  - b. serves a notice to leave on the Tenant on grounds of rent arrears which accrued between 23 March 2020 and 9 August 2021.

#### Next steps

18. The Landlord and the Tenant are invited to accept this offer of grant, on the understanding that the Grant will only be paid upon the acceptance of this Offer of Grant by both parties.
19. To enable this, letter templates are enclosed, for the Landlord and the Tenant to complete respectively. The letter of acceptance by a **private** Landlord must be signed by the Landlord as detailed in the [Scottish Landlord Register](#) for this local authority. [enclose Letter Template [5] and [6]].
20. Once letters of acceptance have been completed by the Landlord and the Tenant respectively, and returned to us, the Grant will be paid to the Landlord.
21. We will notify the Landlord and the Tenant as soon as reasonably practicable after the Grant is paid.
22. We consent to this letter being forwarded to the First-tier Tribunal for Scotland (Housing and Property Chamber) or the Sheriff Court for the purposes of any proceedings raised before them by the Landlord for the eviction of the Tenant or repayment of any rent arrears owed by the Tenant.

Should you have any queries about the contents of this letter please e-mail us at  
[<>](mailto:<>) or call us on [<>](tel:<>).

Yours sincerely,

[enclose Letter Template [5] – for the Landlord – for the posting to the landlord].

[enclose Letter Template [6] – for the Tenant - for the posting to the tenant]

## **Letter [5]: TEMPLATE– Landlord ACCEPTANCE OF CONDITIONS**

<<LA contact name>>  
<<Local authority name>>  
<<LA Address>>  
<<Reference number>>  
<<Date>>

Dear << LA contact name>>

### **Tenant Grant Fund**

Further to your offer of grant, dated ..... <<landlord to insert the date>>, I/we as the landlord accept the offer of grant on the conditions specified. I/we understand that this offer is also conditional on the tenant(s) also accepting the offer.

I/we note that the Grant is to be paid into a UK bank account in my/our name and  
I/we note our bank account details below:

Name of UK based bank:.....  
Account Name:.....  
Account Code:.....  
Sort Code:.....  
<<Landlord to insert details>>

.....[signed by the landlord]

.....[Landlord's name (as registered with  
the local authority if it is a private landlord)]

.....[date signed]

**PLEASE RETURN A COMPLETED AND SIGNED COPY OF THIS LETTER TO  
THE LOCAL AUTHORITY. YOU ARE ADVISED TO KEEP A COPY FOR YOUR  
OWN RECORDS.**

## **Letter [6]: TEMPLATE– Tenant ACCEPTANCE OF CONDITIONS**

<<LA contact name>>  
<<Local authority name>>  
<<LA Address>>  
<<Reference number>>  
<<Date>>

Dear << LA contact name>>

### **Tenant Grant Fund**

Further to your offer of grant, dated ..... <<tenant to insert the date>>, I/we as the tenant(s) accept the offer of grant on the conditions specified. I/we understand that this offer is also conditional on the landlord also accepting the offer.

.....[signed by the tenant(s)]

.....[Tenant(s) address]

.....[date signed]

**PLEASE RETURN A COMPLETED AND SIGNED COPY OF THIS LETTER TO YOUR LOCAL AUTHORITY. YOU ARE ADVISED TO KEEP A COPY FOR YOUR OWN RECORDS.**

**Letter [7] Letter to landlord (and copied to the tenant) THAT AN AWARD HAS BEEN MADE and PAID**

<<Landlord Name>>  
<<Landlord Address>>  
<<Reference number>>  
<<Date>>

**Letter copied to the Tenant(s): <<Tenant(s) Name, and Address>>**

Dear <<name of landlord>>

**Tenant Grant Fund**

Many thanks for enquiring about the Tenant Grant Fund. I am writing to confirm that the grant has now been paid to the bank account specified in your letter of acceptance.

This means that both parties have accepted the offer of grant on the conditions specified and therefore both agree that the tenancy will continue as before.

For avoidance of doubt, the amount awarded is:

£..... [Local authority to insert amount in figures (and words)],

And that the “**period**” of rent arrears referred to is:  
[insert date in words] to [insert date in words].

This, and other letters relating to this grant award, can be forwarded to the First-tier Tribunal for Scotland (Housing and Property Chamber) or Sheriff Court for the purposes of any proceedings raised before them. If any eviction proceedings are raised in relation to rent arrears which accrued between 23 March 2020 and 9 August 2021, these letters show the steps taken by both parties to pay off the rent arrears.

The First-tier Tribunal for Scotland (Housing & Property Chamber), which deals with private rented housing matters, has discretion in eviction cases while the pandemic is ongoing. This means the Tribunal can take all factors into account when deciding about an eviction action. This includes whether the landlord has followed the pre-action requirements (PARs) or been awarded any Grant, to sustain a tenancy. More details about PARs can be found at [Coronavirus \(COVID-19\): guidance for private landlords and letting agents - gov.scot \(www.gov.scot\)](https://www.gov.scot/coronavirus-covid-19/guidance-for-private-landlords-and-letting-agents).

In social housing, the PARs were already a feature of the eviction process, and any Grant paid will mean that the relevant rent arrears will no longer exist. More details about PARs can be found at: [Coronavirus \(COVID-19\): guidance for social landlords - gov.scot \(www.gov.scot\)](https://www.gov.scot/coronavirus-covid-19/guidance-for-social-landlords-gov-scot-www.gov.scot).

Finally, for avoidance of doubt, following payment of the grant the rent arrears in respect of which the grant was paid no longer exist/were reduced accordingly. If there are any ongoing proceedings for eviction or repayment, **you should notify the Tribunal or Court within one week as provided for in the offer of grant.**

Should you have any questions about the contents of this letter please e-mail us at <> or call us on <>.

Yours sincerely,

[send a copy of this letter to the Tenant - for their records – there is a short covering Letter [8] to help explain]

**Letter [8] Letter to tenant (enclosing a copy of Letter [7] which was sent to the landlord) THAT AN AWARD HAS BEEN MADE and PAID**

<<Tenant Address>>  
<<Reference number>>  
<<Date>>

Dear <<name of tenant>>

**Tenant Grant Fund**

Many thanks for asking about the Tenant Grant Fund. I am writing to confirm that a grant award has been paid to your landlord on your behalf, in relation to your tenancy at the address above.

This means that both parties have accepted the offer of grant on the conditions specified and therefore both agree that the tenancy will continue as before.

I am enclosing a copy of the letter which was sent to your landlord to confirm that a grant award has been paid

Should you have any questions about the contents of this letter please e-mail us at <<Email>> or call us on <<tel. number>>.

Yours sincerely,

**Enclosing a copy of the Letter [7] which was sent to the landlord) THAT AN AWARD HAS BEEN MADE and PAID**