

# Sub-Units Policy

---

## 1. Introduction

- 1.1 This policy sets out the framework for the allocation, letting, charging and termination of our sub-units.
- 1.2 This policy has links to some of our other policies, and we've thought about these links when reviewing the policy. Related policies include:
- Parking
  - Estate Management
  - Abandonment
  - Antisocial Behaviour
  - Rent Collection
  - Tenancy
  - Succession and Assignment
- 1.3 Related forms include:
- Licence Agreement – Garage
  - Licence Agreement – Store
  - Licence Agreement – Bicycle Shelter
  - Notice to Quit

## 2. Scope

- 2.1 This policy applies to the Peabody Group and all subsidiaries, across all tenures, except for Town and Country Housing.
- 2.2 This policy aims to provide consistency in the way sub-units are allocated, let, charged and terminated across the group.
- 2.3 We ensure all residents are dealt with in a fair and equitable manner.

## 3. Key terms and definitions

- 3.1 A **sub-unit** refers to any garage, store, bicycle shed or shelter, motorbike bay or parking bay which is owned by us, managed by us, or we have the rights to outsource the management. This list is not exhaustive. Sub-units can be allocated to a resident by us.
- 3.2 **Licence agreement or licence holder:** Residents who are granted a sub-unit sign a licence agreement and are known as a licence holder. Where a licence holder breaks the terms of the licence agreement, we act to end the licence.

## 4. Our approach

### Eligibility

- 4.1 All tenants/leaseholders over 18 years old are eligible to apply for a sub-unit provided there are no more than 4 weeks rent arrears, except for housing benefit paid in arrears where the resident can provide the relevant documents.

## Sub-Units policy

- 4.2 We require written confirmation from the lead resident on the tenancy/lease agreement, who has overall responsibility for the sub-unit.
- 4.3 The tenant/leaseholder is responsible for any unpaid charges.

### Allocation

- 4.4 We allocate sub-units according to the waiting list ordered by application date. Priority is given to applicants who are residents on that estate, have registered disabilities, and (for garages and parking bays) own a vehicle. In some cases, priority may also be given to those who need a specific garage licence to apply for the freehold of their property.
- 4.5 We use our discretion to provide sub-units for residents with extenuating circumstances. This is reviewed and approved by the regional Managing Director.
- 4.6 Second sub-units are only allocated if all residents on the waiting list have at least one sub-unit. This is done at our discretion, and we reserve the right to remove second sub-units if demand increases, in line with our termination process.
- 4.7 In the case of the death of a licence holder, mutual exchange or an assignment, the sub-unit licence agreement is terminated. The new tenant can apply for a sub-unit and they are then added to the waiting list.
- 4.8 Where there are no residents on the waiting list for a sub-unit, we make the vacancies available to non-residents, at double the charge to our residents (plus VAT). Household members who are listed as the occupants are considered as residents for these purposes.
- 4.9 If there are no available sub-units on a resident's estate, the resident can apply for a sub-unit on another one of our estates with available sub-unit facilities and at least 40% capacity.

### Charges and Payment

- 4.10 We review charges annually for sub-units and communicate any changes to licence holders. Charges for sub-units vary in accordance with location, size and whether the applicant is a resident, leaseholder or non-resident.
- 4.11 We do not usually charge for a bicycle shelter licence; however we do charge for the key fob where applicable.
- 4.12 Sub-unit arrears are collected in line with the Rent Collection Policy. Existing licence agreements, except those for bicycle shelters, may be terminated if the resident has arrears (except for housing benefit) on their main rent account and has failed to keep to a repayment agreement for at least 12 weeks.
- 4.13 We may recharge residents for the clearance of non-vacant sub-units once the licence agreement has been terminated.

### Renewing and terminating a licence agreement

- 4.14 The licence holder must not sublet the sub-unit to another person or third party. If this happens, the licence will be terminated.
- 4.15 Garages are let for the storage of vehicles. Where it is discovered that the garage is being used for illegal or immoral purposes, or not for their intended purpose, we will terminate the licence.

## Sub-Units policy

- 4.16 Where a resident moves out of one of our estates, we terminate the licence agreement.
- 4.17 We give 28 days' notice to end a licence agreement where there are arrears or breach of licence agreement. If the licence holder refuses to remove their vehicle once a valid Notice to Quit has expired, the vehicle and any goods are considered abandoned in line with the Parking Policy and Abandonment Policy.
- 4.18 Two weeks written notice is required from a resident to terminate a licence. Keys, where applicable, must be returned before the expiry of the licence agreement.
- 4.19 We review sub-units annually, including the Blue Badge holders, to encourage the best use of our stock. Licence holders do not have to sign a new licence. If a resident is in arrears or in breach of their tenancy agreement (including antisocial behaviour) at the time of the review, the licence agreement will be terminated.
- 4.20 We may terminate a license agreement where there are health and safety concerns with the sub-unit. We are not obligated to provide a replacement sub-unit in this instance.

### Security

- 4.21 It is the resident's responsibility to keep their sub-unit secure or locked at all times. We issue keys at the point of letting, following which, the padlock key and security of the unit is the licence holder's responsibility.
- 4.22 Bicycles and other items stored in a sub unit are entirely at the owner's risk. We do not accept liability for theft or damage of any items stored in the shelter.
- 4.23 Where a bicycle shelter is available, bicycles must not be stored anywhere else on the estate. Bicycles stored outside the shelter, where one is available, are treated as abandoned goods under the Abandonment Policy.

### Health and safety

- 4.24 We ensure that a sub-unit can be entered and left safely before issuing a licence agreement.
- 4.25 We only make improvements to sub-units where commercially viable. Where we cannot let a sub-unit due to disrepair, we ensure the sub-unit is secured.
- 4.26 All sub-units must be made available for inspection when requested by us. We engage with the licence holder to agree a time and date for this.
- 4.27 We do not permit toxic substances, petrol, oil, fuel or any other hazardous or combustible materials to be kept in a sub-unit. Any non-compliance with the health and safety criteria will result in the sub-unit licence agreement being terminated.

### Consultation

- 4.28 We consult with leaseholders where work to improve sub-unit arrangements are needed, informing them of the proposed works and if costs will be recovered through the service charge.

## **5. Equality, Diversity and Inclusion**

- 5.1 We give priority to Blue Badge holders on the waiting list for parking permits and bays.

## Sub-Units policy

5.2 This policy aligns with our wider Equality Diversity and Inclusion Strategy by supporting the vulnerable, creating places where people want to live and building resilience in people and communities.

### 6. Legislation and Regulation

- Torts (Interference with Goods) Act 1977
- Local by-laws where applicable

### 7. Responsibilities

7.1 Regional Managing Directors and local service delivery teams have overall responsibility for the delivery and implementation of this policy.

### Approval

<b>Version number</b>	1
<b>Effective from</b>	<i>3 April 2023</i>
<b>Policy owner</b>	Managing Director of North East London