

LODGERS AND SUBLETTING POLICY

Lodgers and Subletting Policy

Responsible Officer	Group Director Housing
This policy is applicable to	Karbon Group
Policy version	3
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Policy Statement

This policy explains when and how Karbon Homes Group (the Group) tenants can take in a lodger or sub-let part of their home. The Group recognises that having a lodger or subtenant can help tenants manage financial pressures, such as the bedroom tax, and make better use of available housing, while allowing people to remain in their communities. Tenants may usually take in a lodger or subtenant if they continue to live in the property themselves but must request permission in writing first and provide clear details about who will be living there, for how long, and which part of the home they will occupy. Sub-letting the whole property is not allowed, as tenants must occupy their property as their only or principal home.

The policy also sets out important safeguards to protect tenants, neighbours and Karbon's homes. Permission may be refused where arrangements would cause overcrowding, put vulnerable people at risk, involve antisocial behaviour, breach tenancy conditions, or turn the property into a commercial venture. Tenants remain responsible for their rent, their home, and the behaviour of anyone staying with them, and lodgers or subtenants do not gain succession or rehousing rights. The Group is committed to treating all requests fairly, considering individual circumstances and vulnerabilities, and providing clear decisions and appeal routes, while taking action where arrangements are unauthorised.

Risk the policy is designed to control

2. Financial Viability

Key performance measures

We will keep a record of all cases where there is a request for subletting and/or taking in a lodger.

Definitions

Some social tenants have a legal right to take in a lodger or a sub-tenant:

A lodger is someone who rents a room (or some rooms) in the property but who does not have exclusive possession of any part of it – i.e. they do not have a room key and the tenant retains access to the lodger's room.

A sub-tenant is someone with exclusive rights to part of the property – i.e. they have a key to their room (or rooms) and the tenant has no right to enter without obtaining permission first.

Abbreviations

HMRC - His Majesty's Revenue and Customs

DWP - Department for Work & Pensions

Policy Detail

1.0 Purpose of policy

- 1.1 The Group understands that there may be occasions when a tenant wishes to take in a lodger or sub-tenant due to personal, financial or health reasons of either person. The additional income from a lodger or sub-tenant may mean a tenant can remain in a home and community they may otherwise have to leave as a result of the 'bedroom tax' or other financial pressures. In addition, housing a lodger or sub-tenant can help make better use of housing stock as well as meet housing need.
- 1.2 We also recognise that having a sub-tenant or a lodger may not always be in the best interests of a tenant and the Group will provide information on an individual basis on how lodgers and sub-tenants may impact on tenancy agreements and affect welfare entitlements, if appropriate. In addition, we will encourage tenants to explore a range of options before making an informed decision about the type of arrangement that best suits their lifestyle and needs.

2.0 Objectives

- 2.1 This policy is designed to:
 - Ensure all enquiries and requests by tenants to take in a lodger or sublet part of their property are dealt with consistently and fairly.
 - Prevent overcrowding.
 - Ensure tenants remain responsible for all obligations under their tenancy agreement.
 - Prevent properties being unlawfully sublet, illegal assignment and the creation of unintended tenancies and rights of occupation.
 - Minimise the risk of unauthorised mutual exchanges.
 - Ensure Group properties are not used as commercial ventures where rooms are rented out by tenants as a business.
 - Ensure the Group has a proactive approach to identifying unauthorised occupation.
 - Ensure swift and effective action is taken to regain possession of properties occupied by unauthorised occupants.
 - Set out the circumstances where permission to sublet will be refused.
 - Alert staff and tenants/residents to the possibility of the exploitation of vulnerable tenants by lodgers or the issues for tenants of taking in vulnerable lodgers.
 - Maintain up to date records of household composition.

3.0 Legal requirements

- 3.1 The Group will allow its tenants, subject to the conditions contained within their tenancy agreements, to take in lodgers or to sub-let part of their homes.
- 3.2 There are some Karbon Group properties which have been developed with the aid of grant for example Social Housing Grant and are subject to overriding obligations on subletting and sharing possession. Where this is likely to be an issue, we will check the relevant grant agreement

- 3.3 There will be occasions where a tenant may wish to rent out a room (or some rooms) in their home, while continuing to live in the remainder of the property themselves. This is usually entirely legal and appropriate. This might include, for example, occasions where a tenant is affected by the bedroom tax.
- 3.4 The precise legality of this depends on which type of tenancy is in use and whether the person moving in is a lodger or a sub-tenant. Each request will be considered on an individual basis and in conjunction with the relevant tenancy or occupancy agreement
- 3.5 Subletting the property in its entirety is unlawful. Social tenants are bound by a legal obligation to occupy their property as their "only or principal home" (although temporary absences are permitted). Where a tenant does not do this, they will have breached the terms of their tenancy and may also have committed a criminal offence.
- 3.6 Subletting in any leasehold properties is generally not permitted and will be governed by the terms of individual leases.

4.0 Permission

- 4.1 The Group will consider all requests from tenants to take in a lodger or to sub-let part of their property and will not unreasonably withhold its consent to any such requests.
- 4.2 All requests to take in a lodger or to sub-let part of a property must be made in writing. Tenants must provide us with the following information before taking in a lodger/sub tenant:
- Name, age & gender of the proposed lodger(s)/sub-tenant(s).
 - The intended length of time they will be staying.
 - How much they will be charging (weekly, fortnightly or monthly).
 - Which part of the property they will be occupying.
 - Sub tenants only - type of agreement that will be in place between the tenant and sub-tenant, i.e. a contractual tenancy or licence.
 - Confirmation that DWP or Housing Benefit has been advised (where appropriate).
- 4.3 The Group will not give permission for a tenant to take in a lodger or to sub-let part of their property in the following circumstances:
- Where it would lead to overcrowding.
 - Where the proposed lodger or sub-tenant has previously held an unsatisfactory tenancy with the Karbon Group (or one of the legacy organisations).
 - Where it is proposed to sub-let the whole of the property.
 - Where the tenant occupies specialist accommodation and the lodger or sub-tenant does not meet the eligibility criteria.
 - The property in question has had substantial adaptation or has design features which are not required by the sub-tenant.
 - Where there is any damage or disrepair to the property caused by the tenant, a member of the household or a visitor to the property.

- Where the term or the conditions of the sub-letting/lodging arrangement are deemed to be unreasonable.
 - The prospective sub-tenant/lodger has deliberately omitted, distorted or given false information on their application.
 - The prospective sub-tenant/lodger has pursued a course of anti-social behaviour or has been convicted of using a previous tenancy for illegal or immoral purposes.
 - The proposed sub-tenant is subject to action for antisocial behaviour.
 - The tenant is subject to a possession order.
 - There is substantiated evidence that a vulnerable adult or a child might be at risk if the sub tenancy was granted.
 - Planned repair or improvement works will affect the accommodation likely to be used by the proposed sub-tenant.
- 4.4 The Group will notify the tenant in writing of its decision within 10 working days of receiving the application. Where permission to take in a lodger or to sub-let part of the property is refused, the Group will inform the tenant in writing of the reason for refusal.
- 4.5 If a tenant has been refused permission to take in a lodger or sub-tenant they can appeal. If they wish to appeal the decision, they should do so in writing by letter or email giving the reasons they feel they disagree with the decision. The appeal will be considered by the relevant manager or Head of Service.
- 4.6 The tenant will be advised of the implications of taking in a lodger or sub-tenant if they are in receipt of housing benefit or other benefits. If a tenant is in receipt of benefits, it is their responsibility to declare the rent payments received from any lodgers/sub-tenants as income to any relevant organisation, such as His Majesty's Revenue and Customs (HMRC), Department for Work & Pensions (DWP) or local authority.
- 4.7 Where a tenant fails to ask permission before taking in a lodger or subletting part of the property, the Group reserves the right to request that the lodger vacate the property. Should the tenant refuse to co-operate with this request, then legal action may be taken to enforce the breach of tenancy.
- 4.8 The lodger or sub-tenant does not have any right of succession to the tenancy.
- 4.9 The Lodger or sub tenant does not have any right to be rehoused if the tenant is decanted for any reason.
- 4.10 If a tenant sub-lets the whole of a property, this is in breach of the tenancy agreement and the tenant will lose their security of tenure. Action may then be taken to end the tenancy.
- 4.11 The tenant shall be responsible for the behaviour of the lodger or subtenant while they are living at the property.
- 4.12 The tenant is always responsible for the obligations as defined in the Tenancy Agreement, such as rent due or rechargeable repairs and any breaches will be enforced against the tenant, whether they are because of actions by the lodger/sub-tenant.

- 4.13 If the tenant applies for a transfer, the lodger or sub-tenant will not be counted as part of the household. The same criterion applies if the household needs to be decanted.
- 4.14 The Group strongly advises tenants to seek legal advice before taking in a lodger or sub-tenant.

5.0 Customer Vulnerabilities

- 5.1 This policy is applied in line with our Customers in Vulnerable Circumstances Policy. We want people to be treated fairly, have equality of opportunities, freedom, respect, and access to our services.
- 5.2 We will support people in vulnerable circumstances to help us deliver this service. We will work alongside external agencies such as social services, the police and fire services and other appropriate agencies to help and support people in vulnerable circumstances and to ensure we meet our statutory and regulatory requirements as a social landlord.
- 5.3 Policies and key information are made available on our website.

6.0 Monitoring and Review

- 6.1 This policy will be reviewed every 5 years unless there are significant changes in legislative or regulatory requirements or good practise.
- 6.2 The Group Director of Housing is responsible for the implementation of this policy.

7.0 Equality and Diversity

- 7.1 This policy is applied in line with our Inclusion and Belonging Policy. This includes the legal requirements of the Equality Act 2010, Workers Protection Act 2023 and the Public Sector Equality Duty.
- 7.2 At the Karbon Group we aim to eliminate discrimination, promote equality of opportunity, foster good relations and define the nine protected characteristics of age, disability, gender reassignment, marriage or civil partnership, pregnancy or maternity, race, religion or belief, sex, or sexual orientation.
- 7.3 If you would like this or any other policies in a different language or format please contact inclusion@karbonhomes.co.uk.

8.0 Data Protection and Privacy

- 8.1 We have a clear policy on data protection and sharing data with other partners/third parties under the requirements of the UK General Data Protection Regulation, the Data Protection Act 2018 and other associated legislation. This is clearly set out in the Data Protection Policy for the Karbon Group which, along with its associated procedures, must be followed throughout the operation of this policy.