



i4B Holdings Limited

Rent Collection and Arrears Management Policy

November 2018

Document Master Sheet

Amendments to this document detailed below:

Version	Author	Date	Review Date	Comment	Approved by
1	Charlotte Moore	August 2018		Policy created	Draft
2	Chris Brown	August 2018		Amendments	Draft
3	Charlotte Moore/ Chris Brown	October 2018		Incorporate feedback received from LBB legal and housing management agencies	Draft
4	Ralph Gibson	November 2018		Formatting	Draft
5.	Chris Brown	November 2018		Appendix 2 & 3	Draft

1.0 Introduction

- 1.1 Efficient collection of rental income is essential to i4B Holdings Ltd (i4B) in order to provide good service standards to our tenants and operate as a viable business. Maximising our rental income enables us to maintain and improve our services and properties.
- 1.2 i4B will adopt a fair but firm approach in line with housing legislation as it applies to private landlords and best practise. The overall aim of this policy is to maximise rent collection and minimise rent debt.
- 1.3 As a landlord i4B is responsible for the commencement of a tenancy and the ending of a tenancy. i4B aims for all tenancies to be sustainable and for tenants and their families to enjoy the homes it provides.
- 1.4 i4B uses various agencies to provide its services and ensure an efficient rent collection system:
 - 1.4.1 Housing management agents operating on behalf of i4B are responsible for delivering services to tenants including rent collection and arrears management. Management agents provide a key role at sign up, throughout the lifetime of the tenancy, and at the ending of the tenancy. Management agents will work with tenants at the level of intensity required to minimise arrears.
 - 1.4.2 i4B has a nominations agreement with the London Borough of Brent (LBB). LBB's Nominations Team are responsible for carrying out a suitability of accommodation assessment prior to the nomination of a household to an i4B property. The aim of the suitability assessment is to ensure nominees are only placed in accommodation which they can sustain under their family circumstances at the time of nomination.
 - 1.4.3 Specialist rent collection organisations are employed as required to collect former tenant's arrears.
- 1.5 i4B purchases most of its services from LBB through a Service Level Agreement. These services include:
 - 1.5.1 Housing management and rent collection services, delivered directly by LBB or through sub-contractors;
 - 1.5.2 Legal advice and support;
 - 1.5.3 Leasehold management;
 - 1.5.4 Systems management;
 - 1.5.5 Financial reconciliation of Company bank account and rental income.

2.0 Scope of Policy

- 2.1 This policy gives guidance on the following:
 - Information to be provided in advance to potential i4B tenants;
 - Activity to be undertaken by management agents at the point of tenancy sign up;
 - How to manage the rent account;

- How to manage current tenant arrears;
 - Non legal measures
 - Formal legal action
- Collecting former tenant arrears;
- Sundry debts;
- Write offs.

2.2 This policy applies to all i4B tenancies.

2.3 For the purpose of this policy, the term 'arrears' includes current and former rent arrears. Rent also encompasses any service charge or ground rent which may be eligible as part of the tenancy terms.

2.4 The policy is not designed to cover the technical details of specific areas of service delivery but to present the overall approach and methodology to rent collection and arrears management.

Responsibility

2.5 The Board will receive reports on rent collection, arrears management, former tenants' arrears, requests for legal action, and requests to write of debt. Reports will be in an agreed format and provided by the Housing Management Agencies operating on behalf of i4B.

2.6 i4B has a number of relevant Key Performance Indicators (KPIs) agreed by the Council as shareholder and has placed these in the Service Level Agreement between i4B and Brent Council.

i4B Key Performance Indicators

KPI No	Name of KPI	Description of KPI	Target	Reporting Period
16	Bad debt	Income written off by the i4B Board as a proportion of annual estimated debt due to bad debt in particular arrears	2% or less	Quarterly
17	Rent collection	Rent collected as a % of annual rent due. This is measured on a 4 weekly cycle in line with BACs payments to i4B.	98.50%	Monthly
18	Rent arrears action	Ground 8, 10, 11, 21 Notices served or other Notices required in order to end Private Rented Sector accommodation Including Notice to Quit licence agreements	No Target	Monthly
19	Rent arrears action	Evictions	No Target	Monthly

3.0 Aims and Objectives

3.1 The key aims and objectives of this policy are as follows:

- 3.1.1 To take all reasonable measures to prevent arrears of rent occurring and escalating;
- 3.1.2 To promptly and effectively recover arrears, only taking enforcement action when required;
- 3.1.3 To ensure an audit trail of actions and communication is maintained;
- 3.1.4 To take all reasonable measures to collect former tenancy arrears, whilst ensuring that the service is cost effective;
- 3.1.5 To ensure the Board is able to make informed decisions in relation to rent and tenancy termination matters;
- 3.1.6 To write off unrecoverable debt in a timely manner and in line with good accounting practices;
- 3.1.7 To ensure that sundry debts relating to rent income accounts, are recorded and recovery is actively pursued;
- 3.1.8 To assist customers to maximise their income and tackle debt by providing effective and timely welfare advice;
- 3.1.9 To treat customers as individuals and respond to their differing needs in order to provide the assistance required to sustain their tenancy when appropriate.

4.0 Legal Framework

4.1 Appendix 1 contains a summary of legislations as it relates to Private Landlords and their tenants.

5.0 Policy Statement

Advance Information to Tenants

- 5.1 i4B and its management agents will comply with the terms of the Nominations Agreement with LBB and offer accommodation to families in accordance with this agreement.
- 5.2 Families will undergo a 'Suitability of Accommodation Assessment' by LBB Housing Needs service prior to being nominated to an i4B property. This assessment will consider the family's characteristics and income and expenditure to ensure the property, property location, and rent levels are suitable.
- 5.3 Nominated families will be provided with the property rent levels and guidance emphasising the tenancy agreement requirement placed on the tenant to pay rent regardless of any welfare entitlements and avoid arrears on their account. The advanced guidance will also advise the family on the documents they will require at sign up in order to claim or amend welfare benefit entitlement.
- 5.4 Appendix 2 Preparing for your tenancy is guidance provided by the Council to i4B nominees in advance of the tenancy sign up. This guidance mirrors the advice within the Government's How to Rent Guide.

Tenancy Sign up

5.5 i4B expects those providing services to operate in line with the following:

5.6 Pre Sign Up

- 5.6.1 Inform new customers about their tenancy agreement obligations in relation to paying rent;
- 5.6.2 Tenants in receipt of Housing Benefit payments will be encouraged to have this paid directly to the Housing Management Agent.
- 5.6.3 All i4B tenants will be provided with a copy of the Government's 'How to Rent Guide'.
- 5.6.4 Ensure front line staff are trained in tenancy sign-up, welfare benefits, managing debt, and providing arrears reduction advice to customers.
- 5.6.5 Provide customers with flexible payment options that make it easy for them to pay rent, service charges, and any other charges or fees.
- 5.6.6 Provide customers and staff with clear and concise information about rent collection and arrears recovery.

5.7 At Sign up

- 5.7.1 Lettings Officers will emphasise the importance of rent payment, reinforcing that payment is the tenant's responsibility.
- 5.7.2 Advice will be given to tenants on the different methods available to pay rent.
- 5.7.3 If the tenant is claiming welfare benefits they are expected to inform the DWP or local authority housing benefits service of their change of address at the point of sign up.
- 5.7.4 The tenant should be informed about the consequences of non-payment of rent and agree to the dates and amounts of rental payments contained in the assured shorthold tenancy agreement.
- 5.7.5 Where it is believed the family is entitled to support towards their rent proof of an application for universal credit or housing benefit will be requested and recorded.
- 5.7.6 Lettings Officer's will obtain the tenant's housing benefit number in order for an assessment to be carried out.
- 5.7.7 Tenants under the terms of the Assured Shorthold Tenancy Agreement are required to pay one week rental payment in advance.
- 5.7.8 i4B recognises that some tenants may not have the resources to pay in advance due to delays in welfare assessment and first payments. In these instances tenants will be informed of their responsibility to pay one week in advance and that should their benefit assessment be delayed or the assessment is less than the customer anticipated the rent debt remains with the tenant. Sector experience is that once tenants are in significant arrears it is difficult for many tenants to recover the debt. In order to minimise risk to the customer of rent debt and potential possession proceedings the Company

recommend the customers:

- Contribute the same amount they were paying at their last property per week plus an additional £10. The additional £10 is designed to create a cushion in the tenants account should benefit entitlement be less than anticipated or the tenants circumstances change. The Company recognise that any surplus in a customer's rent account may be repaid to the tenant on request.
- If the tenant is unable to do the above, then the letting may take place with the customer contributing some rent from the tenancy start date. However, the tenant must be informed that they are responsible for paying their rent and should a deficit remain following welfare benefit assessment that the tenant is responsible for the full amount. Should the tenant not contribute during the welfare assessment period the tenant may find it harder to make up any shortfall and therefore increase the potential for eviction proceedings.

5.8 Post Sign up

- 5.8.1 LBB will set up rent accounts on Northgate within 48 hours of the tenancy start date.
- 5.8.2 Where external housing management agents do not have access to the Northgate system, a dummy rent account will be created on the system by LBB.
- 5.8.3 Agents will work with customers and benefit agencies to encourage applications for benefit to be approved within four weeks of the tenancy start date.
- 5.8.4 Housing management agents will ensure payments are posted to rent accounts within one week of receipt.
- 5.8.5 Housing management agents are encouraged to use a wide range of techniques to support tenants pay their rent – this may include texts, home visits, letters, and phone calls.
- 5.8.6 Housing management agents are encouraged to carry out a new customers visit within two months of their tenancy start date. This visit will include discussions on rent matters.
- 5.8.7 Housing management agents will issue rent statements quarterly to all tenants.
- 5.8.8 Housing management agents are required to respond quickly to crisis events that are known to precipitate debt problems.
- 5.8.9 Management agencies will actively encourage customers to take ownership of any difficulties with non-payment of Housing Benefit or Universal Credit.

Current Tenancy Arrears

- 5.9 Housing management agents will make early contact with tenants in arrears. The following actions will take place:

- 5.9.1 As soon as the rent account is in arrears the housing management agent will contact the tenant by phone, text, email, or letter.
 - 5.9.2 If the rent account is in two or more weeks in arrears the housing management agent will send the first arrears letter to the tenant.
 - 5.9.3 A second letter will be sent out no earlier than two weeks if rent arrears are not cleared, an agreement to clear the arrears is not made or the tenant has not contacted the agent.
 - 5.9.4 A second letter will also be sent out if a first letter has been sent in the last 6-12 months.
 - 5.9.5 Housing management agents will carry out a visit to the property.
 - 5.9.6 Each letter will contain a warning of legal action should the arrears not be cleared.
 - 5.9.7 The management agent on behalf of i4B will serve notice on tenancies with rent accounts in eight or more weeks in arrears.
- 5.10 Tenants whose rent account repeatedly has arrears will be signposted to specialist money, debt and welfare benefit advice agencies and be informed that the landlord will take legal action in regards to persistent late payment. Housing management agents will:
- 5.10.1 Draw up collection procedures that are designed to sustain tenancies.
 - 5.10.2 Make early contact with customers to establish the reason for the non-payment.
 - 5.10.3 Carry out welfare benefit checks and if necessary, signpost to services for support for managing debts or money.
 - 5.10.4 Make use of direct payment facilities available in recovering monies owed to i4B.
 - 5.10.5 Where a customer is in receipt of benefit and is 8 or more weeks in arrears an application for direct payment of Universal credit will be submitted.

Welfare Benefits

- 5.11 i4B recognise that many of its tenants will require the support of welfare benefits to pay their rents and that new claims in particular can take several weeks to be assessed. The responsibility for claiming welfare benefits rests with the tenant, albeit, with encouragement and advice from management agents and nominating officers. i4B would expect:
- 5.11.1 Tenants to apply for welfare benefits or notify a change of circumstances at the time of tenancy sign up.

- 5.11.2 Agents and tenants to make use of the statement provided by i4B explaining its status as a Private Landlord. This may avoid delays in the DWP or local authority processing Universal Credit or Housing benefit claims. This statement may be found at appendix 3.
 - 5.11.3 At sign up i4B would expect the tenant to make rent payments to ensure that significant debt is not present during the period when an award is being made or following an award being made, which may be five to ten weeks after a claim.
 - 5.11.4 Although management agents are expected to help customers resolve claims it is the responsibility of the tenant to pay rent and resolve any benefit claims. Management agents should encourage customers to communicate with them their progress with housing benefit or universal credit applications.
 - 5.11.5 Direct payments should be encouraged where tenants are vulnerable and where a vulnerable tenant has given their voluntarily support for direct payments to be made. Management agents should ensure that an application to DWP or local authority housing benefits team is submitted should a tenant's rent be in eight or more weeks of arrears.
 - 5.11.6 It is important that i4B tenants talk to housing management agents immediately when benefit problems are affecting their rent account.
 - 5.11.7 All tenants are encouraged to build up a one month rent cushion to lessen the impact of periods when welfare benefits are being determined, keep the rent account in surplus during periods between benefit payments, provide a cushion should the family experience a change of circumstances reducing the tenants income and cover periods should welfare benefits be suspended. The Company recognise that any surplus in a customer's rent account may be repaid to the tenant on request.
- 5.12 Universal Credit has introduced a significant change to the welfare benefits system. Universal Credit provides:
- 5.12.1 A single monthly household payment to cover the claimant household expenditure including rent.
 - 5.12.2 The opportunity for significant sanctions should the claimant breach the 'claimant commitment'. The claimant commitment requires recorded online evidence that the claimant is actively seeking work. Sanctions can be from 2 weeks to 5 years.
 - 5.12.3 Agents on behalf of the Company can access the trusted partner landlord portal. This provides an opportunity to request direct payment for the housing element cost once the tenant is in arrears. Agents are encouraged to apply for direct payment at the earliest moment and on cases over eight weeks in arrears.

- 5.12.4 An opportunity for housing management agents to receive direct payments of the housing cost element if the claimant has continuously underpaid their rent over a period of time, and they have accrued arrears of an amount equal to or more than two month's rent.
- 5.12.5 An opportunity for housing management agents and i4B to request the reimbursement of the housing cost element for former tenant's arrears should the claimant leave the property with rent arrears. This potentially can be claimed from future universal credit payments.
- 5.13 Universal Credit factors will be continuously under review as the new system is put into place. The policy will be updated to take into account changes of legislation whilst the system is still in trial.

Evictions and Possession Orders

- 5.14 Before legal actions are taken after the actions noted under 5.9 should have been followed. At the point a notice is served the agents are to be certain that the tenants are advised of their current arrears and what the tenants needs to do to avoid court action.
- 5.15 Housing management agents have delegated authority from the i4B Board to serve Ground 8, 10, 11, 21 or other Notices required in order to end Private Rented Sector accommodation including Notice to Quit licence agreements. This delegation is once a rent account is eight or more weeks in arrears.
- 5.16 LBB's Housing Options service will be informed of legal action affecting their nominees at the earliest point by i4B. Housing management agents will inform i4B each month of new notices served and progress through the court or resolution of cases already noted. The Company will provide progress updates to LBB to allow the Council to carry out its prevention and relief duties. The Council will make contact with the tenant to ascertain what the issues are that have led to the rent default and to identify additional support that can be offered to remedy the position and prevent the eviction. The support will be tailored to the individual's circumstances, and could include access to DHP payments, liaison with housing benefits or accessing floating support services where appropriate. In cases where the tenancy is over two years old the Company will make efforts to inform the host borough.
- 5.17 Should the legal notices fail to result in a reduction in the tenancy arrears below eight weeks the housing management agents will submit, on behalf of the i4B Holdings Ltd, a Claim for Possession form to the court.
- 5.18 A Claim for Possession is an application to the court for possession. i4B will confirm that the Claim for Possession may be submitted to the court by signing or counter signing the Claim Form. A single Directors signature will be required.
- 5.19 All arrears cases, where a Claim for Possession has been issued and a Court Order for eviction obtained, will be reported to the Board. The Board will confirm their willingness to evict should terms of the court order be not adhered to.
- 5.20 If the Claim for Possession has been adjourned the agent will request another hearing at court to obtain a possession hearing if the terms of the adjournment were breached.

- 5.21 Once a possession order has been obtained the agent may request a bailiff's warrant to evict.
- 5.22 The Board, through its KPI reports, will be informed of any evictions.

Former Tenancy Arrears Recovery

- 5.23 Most tenancies are ended by the tenant giving notice to the landlord rather than through court action. i4B's Assured Shorthold Tenancy Agreement requires tenants to give two months' notice of ending their tenancy.
- 5.24 Management agents are provided with delegated authority to reduce the notice period to a minimum of one month if the tenant:
- Requests to end the tenancy earlier than 2 months from the date of written notice.
 - Ends the tenancy with a clear rent account.
 - Leaves the property in good condition.
 - Hands in a full set of keys.
- 5.25 i4B will make reasonable efforts to recover former tenancy arrears and may appoint specialist agencies to assist.
- 5.26 Housing management agents will register the former tenant arrears with the DWP where universal credit was being claimed. This may allow the DWP to collect via deduction from the former tenant from future welfare claims. i4B will:
- 5.26.1 Make all reasonable efforts to recover former tenancy arrears of rent and sundry debts.
- 5.26.2 Use debt collection agencies where it has unsuccessfully made attempts to collect the debt from the former tenant or where the whereabouts of the former tenant is not known.
- 5.26.3 Follow the appropriate procedures to seek permission to write off the debt where the debt is unrecoverable.
- 5.26.4 Ensure that contractors are provided with appropriate levels of training so that they understand and are able to implement the Rent Income Collection Procedure relating to former tenancy arrears.
- 5.26.5 Close current rent accounts for tenancies when they end and open a former tenant arrears account.
- 5.26.6 Housing management agents will allocate to the former tenant arrears account any monies received following the ending of the tenancy to the former tenant arrears account.
- 5.27 Former tenant debt should be pursued for a minimum of three years, unless agreed otherwise by the Board.

Sundry Debts

- 5.28 Whilst the repayment of current tenancy arrears will always be treated as the priority debt, housing management agencies will make all reasonable and appropriate efforts to recover sundry debts. This includes, but is not limited to, tenant damage, legal costs, service charges and ground rent.

Write Offs

- 5.29 Where a debt is unrecoverable, housing management agencies will follow the procedures to seek permission from i4B to write off the debt. Housing management agencies will submit write-off requests for approval to the i4B Board of Directors.
- 5.30 For deceased tenants, housing management agents may submit to the Board for write off approval if the debt is:
- Less than £100.
 - There is reason to believe that there are no funds in the estate of the deceased tenants.
 - There is no response from the next of kin or Executor of the Will and the debt is less than £500.
 - Otherwise, recovery of the debt will be sought from the deceased tenant's estate.

Vulnerable Tenants

- 5.31 All frontline officers operating on behalf of i4B should receive training on safeguarding procedures to ensure that appropriate processes are followed where any safeguarding issues are identified.
- 5.32 Action against customers in arrears needs to be commensurate with the level of debt, taking into account historical factors and personal circumstances. In some cases, to abide by the tenancy conditions, customers may need support through crisis periods to prevent them losing their homes. Housing management officers will work in a multi-agency framework when managing accounts drawing upon all resources available, whilst complying with current Data Protection legislation and guidance.
- 5.33 If a tenant in arrears is identified as vulnerable or in need of debt advice housing management agencies will liaise with the relevant support agencies and Brent Council departments as appropriate.
- 5.34 If a customer is identified as vulnerable and at risk of eviction, in addition to the steps outlined in 5.16, housing management agents may contact their relevant support services as deemed appropriate. This should only be done on a case by case basis, with the approval of management and in line with data protection policy.

6.0 Policy Review

- 6.1 This policy will be reviewed every six months from shareholder approval.

Legislation and Private Landlords

Who is a private landlord?

There is no fixed legal definition of private landlord – but on these pages we mean any landlord who is **not**:

- a local authority
- in England, a private registered provider (i.e. a housing association registered with the Homes and Communities Agency)
- in Wales, a registered social landlord (i.e. a housing association registered with the Welsh Government).

In this appendix ‘private landlord’ means any other kind of landlord – including a charity or housing association which has **not** been registered with the HCA/ Welsh Government. We also use the term landlord to include instances where the owner has let the property on a licence.

Tenancy or licence?

Some landlords provide written agreements that are headed as ‘licence agreements’. But it is not the words in the agreement that ultimately determine the status but the actual arrangements (see next section). Nowadays this distinction has become less important because the majority of residential lettings are [assured shorthold tenancies](#). i4Bs standard agreement is an assured shorthold tenancy agreement with a small number of licences issues where tenants have been nominated and accepted for temporary accommodation.

What is a tenancy?

Any arrangement where the occupier pays ‘rent’ and has exclusive possession for a ‘term’ is usually a tenancy: [Street v Mountford \(1985\)](#). It is the actual arrangements that determine this, not the wording on the agreement.

‘Rent’ is money paid for the right to occupy, and not for any services provided by the landlord. ‘Exclusive possession’ is the right to control who can enter the property. The ‘term’ is any finite period of time whether it is a specified ‘fixed term’ or a ‘periodic’ term. If the agreement does not specify a date at which it comes to an end, then it is periodic: the length of the period being the period that rent is paid (e.g. weekly, monthly, and so on). A periodic tenancy finishes at the end of each rental period, but automatically re-commences so long as the tenant remains and continues to pay rent. So, a tenancy starting on a Sunday with a

Types of tenancy and security of tenure

There are various different forms of tenure in the private rented sector. The most common, since February 1997, has been by way of an assured shorthold tenancy for a minimum period of six months. The law on different types of tenancy is complex.

i4B offer a 36 month tenancy with break clauses every 12 months allowing two months’ notice to be given by the landlord to end the tenancy. The intention of i4B is to encourage settled long term tenancies. If the tenant has no arrears and has kept to the terms of the

tenancy agreement i4B would normally encourage the tenancy to continue. The tenant may end the tenancy at any time by giving the landlord two months' notice.

What is security of tenure?

'Security of tenure' means the tenant has the right to continue in occupation until the court has granted a possession order. Among new lettings, **assured tenants** enjoy the greatest degree of security: the court will only grant possession if it is satisfied that one or more specified factual grounds have been made out and (in most cases) that it is reasonable to grant it. Even then if possession is being sought on the grounds of anti-social behaviour or rent arrears the court will often suspend the order provided the tenant complies with its conditions (such as repaying the arrears by instalments).

[Assured shorthold tenants](#) have less security than assured or secure tenants. i4Bs tenancy agreement is an Assured Shorthold tenancy agreement. With Assured shorthold tenancy agreements the landlord merely has to serve a two-month notice requiring possession and apply for an order which the court can only suspend for a maximum period of six weeks ([section 21, Housing Act 1988](#), [section 89, Housing Act 1980](#)).

Most other tenancies and licenses have no security at all. The landlord can usually terminate the tenancy by giving at least four weeks' notice and applying for an order. No grounds for possession are required and the court can only suspend for a maximum of six weeks ([section 3, Protection from Eviction Act 1977](#), [section 89, Housing Act 1980](#)).

From 1st December 2016 **in England only**, the security of tenure rules have been changed for people the Home Office says are 'disqualified' from the 'right to rent' because of their immigration status or lack of it. If the Home office notifies the landlord that occupants are disqualified then the tenancy may be ended and in some circumstances there will be no need for a court order to evict.

Assured shorthold tenancy

Unless the agreement is one type that does not have security any new residential tenancy is an assured shorthold by default even if the agreement does not say it is.

An assured shorthold is a type of [assured tenancy](#) so all the assured tenancy possession grounds apply. The distinguishing feature of a shorthold tenancy is that the landlord has an absolute right to a possession order after giving two months' notice ([section 21, Housing Act 1988](#)) except that:

- an order cannot be made during the first six months of the tenancy or, if longer, until any fixed term has expired;
- in England, a landlord cannot give the two-month notice until at least four months of the tenancy have expired, this would include four months of any fixed-term tenancy granted after an initial fixed-term tenancy has ended;
- in England, the landlord must start possession proceedings within six months of the date when the two-month notice was given;
- in England, for tenancies starting on or after 1st October 2015, the two-month notice must be in the form prescribed by the government;
- the landlord cannot use this procedure if:
 - they have failed to [protect the tenant's deposit](#) as required or failed to serve the tenant with information relating to the protection of the deposit; **or**
 - if the property is a [house in multiple occupation](#) that requires a licence and the landlord does not have one ([ss.98 and 215, Housing Act 2004](#)); **or**

- in England, for tenancies starting on or after 1st October 2015, the landlord has failed to provide to the tenant copies of an energy performance certificate and gas safety certificate for the property and a copy of the government's 'How to rent' checklist; **or**
- in England, for tenancies starting on or after 1st October 2015, the landlord had been served in the six months prior to the notice with an improvement notice or a notice of emergency remedial action by the local housing authority, following a complaint by the tenant.

Most landlords grant a fixed-term tenancy for six months or one year but it can be longer. If the tenant remains in possession once the fixed term has ended the tenancy automatically becomes a periodic assured shorthold, on the same terms as the fixed-term tenancy ([ss.5-6, Housing Act 1988](#)).

i4B offer a 36 month tenancy with break clauses every 12 months allowing two months' notice to be given by the landlord to end the tenancy. The intention of i4B is to encourage settled long term tenancies. If the tenant has no arrears and has kept to the terms of the tenancy agreement i4B would normally encourage the tenancy to continue. The tenant may end the tenancy at any time by giving the landlord two months' notice.

What are the obligations on private landlords?

Tenancy deposits

Where the landlord has let an assured shorthold tenancy and has charged a deposit they must protect the tenant's deposit by using one of [three approved protection schemes](#) and inform the tenant that they have done so ([section 213, Housing Act 2004](#)). The landlord's notice to the tenant must contain all of the information [required by regulations](#).

If the landlord fails to protect a deposit, they cannot use the notice-only procedure to get possession ([section 215, Housing Act 2004](#)) unless they have repaid the deposit by the date they serve the notice. The tenant can also reclaim an unprotected deposit plus three times its value as compensation ([section 214, Housing Act 2004](#)). The tenant can do this even after the tenancy has come to an end and they have left the dwelling.

Deposit protection applies to all assured shorthold tenancies started after on or after 6 April 2007. It also applies to tenancies started before 6 April 2007 that have ended and renewed on or after that date. In those cases, the landlord had up until 23rd June 2015 to protect the deposit and serve the prescribed information.

Some landlords try to evade deposit protection by taking money at the start of the tenancy for 'advance rent' or 'rent in advance'. If money is not credited as rent the payment still falls within the definition of a 'deposit' and should be protected. When money is taken as 'rent in advance' advisers should check if it is actually used for rent, or whether it is being held as security against the risk that the tenant might fail to pay the rent.

i4B does not take a deposit from customers nominated by LB Brent. i4B can let a small number of properties as intermediate and market rented properties and in these lettings a deposit may be requested.

Notices to the tenant and rent books

The landlord must notify the tenant in writing of their address for service of documents and if they fail to do so, rent is not payable ([section 48, Landlord and Tenant Act 1987](#)). However, once the notice is served, the tenant must pay all the arrears accrued for the period before the notice was served. In practice, most tenancy agreements include notice of the landlord's address.

If rent is paid weekly, the landlord must provide a rent book ([section 4, Landlord and Tenant Act 1985](#)).

Rent increases and changes in rent

Landlords and tenants may agree any increase in rent that they choose. The initial rent will be contained in the tenancy agreement. The tenancy agreement may contain a mechanism for rent to be increased, known as a 'rent review clause'. If it does not, the rent will remain at the same amount throughout the fixed term.

Where a statutory period tenancy arises at the end of a fixed term (see above) the rent stays the same and any rent review clause in the original agreement does not apply unless both parties specifically agree it should. If the landlord wishes to increase the rent, they must serve a notice that complies with [section 13, Housing Act 1988](#). The tenant can refer the proposed rent to the [Residential Property Tribunal \(England\)](#) or [Rent Assessment Committee \(Wales\)](#) for an assessment of the appropriate market rent ([section 14, Housing Act 1988](#)).

However, in practice, if a periodic assured shorthold tenant does not agree to the new rent the landlord can obtain possession using the notice-only procedure and re-let the property to a new tenant.

Obligations about the condition of the property

Provision of alarms

From 1 October 2015, private landlords renting out properties in England must provide smoke alarms in every storey of a rented property and carbon monoxide alarms in any room which contains a solid fuel burning combustion appliance (such as a coal fire or wood-burning stove). They must also check at the start of each new tenancy that these alarms are in proper working order. If a landlord is in breach of this requirement, complaint can be made to the local authority which can serve a remedial notice on the landlord.

Disrepair and remedies by a tenant

There is no general obligation in English and Welsh law that a property let to a tenant is let in a habitable state or to a certain standard of repair. The law on disrepair is complex, a short summary is below.

The starting point for dealing with disrepair is always the tenancy agreement. The landlord is obliged to comply with any conditions in the agreement to repair or maintain the property. If the landlord is not complying, after serving notice the tenant can apply for an order requiring the landlord to remedy the breach and for damages.

If there are no express terms in the agreement the next stage is to establish whether there are any implied terms and if so enforce them. Any tenancy with a term that is less than seven years has the following implied terms:

- to keep in repair the structure and exterior of the dwelling-house (including drains, gutters and external pipes);
- to keep in repair and proper working order the installations in the dwelling-house for the supply of water, gas and electricity and for sanitation (including basins, sinks, baths and sanitary conveniences, but not other fixtures, fittings and appliances for making use of the supply of water, gas or electricity); and
- to keep in repair and proper working order the installations in the dwelling-house for space heating and heating water including those in any common parts ([ss.11\(1\), \(1A\), Landlord and Tenant Act 1985](#)).

This implied term is generally referred to as ‘the section 11 repairing obligation’.

Using the s.11 repairing obligation

When using this implied term the following points should be noted:

- The term is implied into all tenancies of less than seven years – in practice nearly all of them because it includes any with a weekly, monthly or annual periodic term.
- The obligation is not to keep everything in repair, only to the structure, exterior and installations specified.
- The ‘exterior’ means: external walls, roofs, foundations, windows, doors and gutters.
- The ‘structure’ is not the whole dwelling but more than just load-bearing elements. It generally includes internal walls, plaster ([Grand v Gill \(2011\)](#)) but not internal doors.
- There must be some damage to the structure, exterior or installations that requires remedying.
- The landlord is not obliged to put in installations which were not present at the start of the tenancy (for example to install central heating where there was none) but if the original installations stop working, then the landlord will be in breach.
- The obligation does not extend to design defects, such as cold external walls that result in condensation forming inside.
- Using s.11 to tackle dampness is complicated. In general, rising dampness which can damage foundations, floors, walls, etc. and penetrative dampness through doors, windows or defective walls or roofs falls within s.11; condensation arising from a design defect or how the property is used does not, unless the effect is so significant that it damages the structure (for example by saturating the plaster), rather than superficial damage that can be merely wiped off.
- The landlord is not in breach of the obligation until they have been given notice of the defect (which can be in the form a general complaint or awareness through their own inspection) and they have failed to remedy it within a reasonable period. What is reasonable depends on the item in disrepair.
- The requirement to give notice does not apply to defects to the common parts because the landlord has the right to enter these and inspect without the tenant’s permission.

Where a landlord has failed to respond to notice of the defect and/or remedy the disrepair, the tenant can apply for an order of specific performance that requires the landlord to take action. If there is an urgent risk to the health or safety of the occupiers, the tenant can make an accelerated application (*Parker v Camden LBC* [1986] Ch 162, CA). The tenant’s claim can also include damages for: distress and inconvenience (general damages), financial loss (special damages) and personal injury. Before a claim can be brought, the tenant should give the landlord written notice that complies with the [housing disrepair pre-action protocol](#).

Legal aid is available where the defect is so severe that there is a serious risk to the health or safety of the tenant or their family ([para. 35, Schedule 1, Legal Aid Sentencing and Punishment of Offenders Act 2012](#)). Assessing damages is complex and involves comparison with cases with similar facts, and then cross-checking against the rent paid on the property. In general, the level of damages should be less than the rent.

If the defect is such that the state of the property is prejudicial to health or is a nuisance the tenant could bring a private prosecution: [ss.79-82, Environmental Protection Act 1990](#). The tenant should be able to get advice on this from a solicitor using legal aid if the disrepair is a serious risk to health, and may then be able to get a case financed via a Damages Based Agreement, where costs may come out of any damages awarded.

Remedies by the local authority

The local authority has powers to take action against landlords for bad housing conditions. A complaint can be made to the enforcement team. Actions that local authority enforcement officers can take against a landlord include:

- Service of an abatement notice and subsequent prosecution if the property is in such a state as to be prejudicial to health or a nuisance: [ss.79-82, Environmental Protection Act 1990](#).
- Inspection to identify any 'category one' or 'category two' hazards in the property under the [Housing Health and Safety Rating System](#) (pdf). If there are, the authority has a variety of powers to take enforcement action such as a hazard awareness notice or improvement notice powers under [Parts 1-4, Housing Act 2004](#) and specifically [ss.28-29](#).
- If the property has a category one or two hazard the authority can issue a prohibition order which can stop the landlord from letting it ([ss.20-21, Housing Act 2004](#)).
- Service of a remedial notice requiring the landlord to install smoke alarms and/or carbon monoxide alarms (Regulation 5 [Smoke and Carbon Monoxide Alarm \(England\) Regulations 2015/1693](#)).
- If a category one hazard exists and the dwelling is not a flat the authority could issue a demolition order ([section 265, Housing Act 1985](#)).
- If the authority makes a prohibition order or demolition order under either of the two provisions above they have a duty to rehouse the tenant, and if they have lived there for at least a year also to pay compensation: a 'home loss payment' (ss.29(1),(b),(7) and 39(1)(b) [Land Compensation Act 1973](#)). The duty to rehouse does not count as a housing allocation or homelessness assistance so there are no restrictions as to immigration status.
- Declare a clearance area if all the dwellings in the vicinity have a category one hazard ([section 47, Housing Act 2004](#)).
- If the dwelling has a category one hazard that poses an immediate risk to the occupants the authority can make an emergency remedial order ([section 40, Housing Act 2004](#)) or an emergency prohibition order ([section 43, Housing Act 2004](#)).

Some of those notices or orders can then be suspended, giving the landlord an opportunity to remedy the hazards.

Overcrowding

The law on overcrowding derives from standards adopted in the 1930s. The local housing authority can assess the accommodation as overcrowded and as containing category one or two hazards under the [Housing Act 2004](#) and take action accordingly (see above) – but a tenant cannot take action against their landlord if their home is overcrowded.

A property is statutorily overcrowded if either the 'room standard' or the 'space standard' is breached:

- the 'room standard' is breached if two people of opposite sexes, who are not married or cohabiting, must share a room but:
 - children under ten are not counted, and
 - a living room counts as a bedroom ([section 325, Housing Act 1985](#));
- the 'space standard' is breached if the number of occupants sleeping in the dwelling exceeds the 'permitted number' allowed ([section 326, Housing Act 1985](#)) – see the legislation itself for tables which set out the calculation.

A property could contain category one or two hazards due to overcrowding even if it is not statutorily overcrowded. Complaint should be made to the Environmental Health Department of the local council.

Harassment and illegal eviction

Criminal offences

It is a criminal offence for anyone to deprive an occupier of his or her home or any part of it, unless that person can show he or she believed, and had reasonable cause to believe that the occupier had ceased to live there ([section 1\(1\), Protection from Eviction Act 1977](#)).

It is also a criminal offence for anyone to do anything that is likely to interfere with the peace or comfort of the occupier and members of their household, if that is done with the intent to cause the occupier to leave or to discourage them from pursuing any legitimate rights or remedies in respect of their home. This includes acts such as interfering with services or facilities that the occupier reasonably requires to continue living there e.g. the supply of water or fuel ([section 1\(3\) and \(3A\), Protection from Eviction Act 1977](#)).

In general, these offences are committed where a landlord tries to evict or harass a tenant in order to make them leave, without going to the court for a possession order. The offence can be committed by the landlord or anyone acting as their agent. The perpetrator has a defence if he or she can show that they had reasonable grounds for doing the acts or for interfering with the services.

Other criminal offences that could be committed in the course of an eviction include:

- Using or threatening violence to secure entry to premises, where the person conducting it knows that there is someone in the home who is opposed to their entry ([section 6, Criminal Law Act 1977](#)).
- Assault: common assault, actual bodily harm, grievous bodily harm or other offences against the person.
- Criminal damage to the occupier's possessions.
- Harassment, defined as a course of conduct on at least two occasions, which might put a person in fear of violence, alarm them or cause distress ([Protection from Harassment Act 1997](#)).

Civil remedies

If an occupier is unlawfully deprived of his or her home by their landlord/landlord's agent the occupier has the right to apply to the court for an injunction to force the landlord to re-admit them and for an award of damages.

Generally, this kind of action is taken as an enforcement of contract because the common law implies a term into all tenancy or licence agreements that the occupier has the right to 'quiet enjoyment' of the premises: in other words, will have the right to live in the property peacefully. Except where the contract has been ended, the implied term is broken if the occupier is evicted or harassed. There is a useful guide to [Quiet Enjoyment](#) and this is also an issue where the local authority Environmental Health Department should be able to help.

If the contract has been ended and the landlord tries to remove the occupier without obtaining a possession order where one is required (see above), the occupier has a separate course of action for an injunction and damages for breach of the statutory tort of 'prohibition of eviction without due process of law' ([section 3\(1\), Protection from Eviction Act 1977](#)).

Legal aid, subject to a means and merits test, is available for bringing a claim for an injunction and/or damages where there has been an illegal eviction ([para. 33, Schedule 1, Legal Aid Sentencing and Punishment of Offenders Act 2012](#)).

In any case where the occupier is seeking reinstatement the landlord should be written to urgently, requesting agreement to reinstatement within a specified, short timescale. If the landlord refuses, or does not respond, the occupier can apply to the court for an urgent injunction without any further notice to the landlord. Generally, the court will grant the order unless the judge has reason to believe that the property is re-let and is occupied by an innocent third party, i.e. someone who had nothing to do with the eviction. If the landlord is present at court the injunction takes effect once it has been served on them. If the landlord fails to comply with the reinstatement order they could be charged with contempt of court.

The occupier is entitled to pursue a claim for damages whether or not they are reinstated. Damages might be quite substantial, particularly where the tenancy provided long-term security (such as an assured tenancy) (see [ss.27-28, Housing Act 1988](#)).

Guidance to PRS Nominees from Brent Council by Brent Council – This guidance may be refined from time to time

This guidance is designed to accompany the offer of accommodation letter which the Council provides to the nominee in advance of the letting date.

When you start a tenancy with a private landlord you enter an **assured shorthold tenancy** which is the most common type. This is a contractual arrangement which gives you some important rights but also some responsibilities.

You will receive a Tenancy Agreement which you should read carefully to understand your rights and responsibilities.

The tenancy agreement will ask often for a week's rent in advance. You should consider how you will make this payment. Remember you are responsible for paying your rent even if you receive benefit towards your rent element.

As a Tenant you must...

- **Pay the rent on time.** If you don't, you could lose your home because you have broken your tenancy agreement.
- **Pay any other bills** that you are responsible for on time, such as council tax, gas, electricity and water bills. If you pay the gas or electricity bills, you can choose your own energy supplier.
- **Look after the property.** Get your landlord's permission before attempting repairs or decorating. It's worth getting contents insurance to cover your possessions because the landlord's insurance won't cover your things.
- **Be considerate to the neighbours.** You could be evicted for anti-social behaviour if you aren't.
- **Do not take in a lodger or sub-let**

And also you, the tenant, should...

- Make sure you know **how to operate the boiler** and other appliances and know where the stopcock, fuse box and any meters are located.
- **Regularly test your smoke alarms** and carbon monoxide detectors
- **Report any need for repairs** to your landlord.

When you move in you may wish to:

- Agree an inventory – and take photos of any damage
- Take metre readings. This will help make sure you don't pay for the previous tenant's bills.
- Make sure that you have the correct contact details for management agent and landlord, including a telephone number you can use in case of an emergency.

On letting you will:

- Receive a copy of the governments How to rent Guide
- A gas safety certificate.
- The Energy Performance Certificate.

You should also receive:

- A record of any electrical inspections.
- Evidence that smoke alarms and any carbon monoxide alarms are in working order at the start of the tenancy. Tenants should then regularly check they are working.

Advice

There are a number of agencies which can provide you with support and advice.

- Citizens Advice – free, independent, confidential and impartial advice to everyone on their rights and responsibilities.
- Shelter – housing and homelessness charity who offer advice and support.
- Crisis – advice and support for people who are homeless or facing homelessness.
- Your Local Housing Authority – to make a complaint about your landlord or agent, or about the condition of your property.
- Money Advice Service – free and impartial money advice.
- The Law Society – to find a lawyer.
- Gas Safe Register – for help and advice on gas safety issues.
- Electrical Safety First – for help and advice on electrical safety issues.
- Marks Out Of Tenancy – information for current and prospective tenants.

Letter clarify the status of i4B as a Private Sector Landlord



i4B Holdings Limited

Civic Centre

9 Engineers Way

Wembley

HA9 0FJ

xxx 2018

Address1

Address2

Postcode

Dear Sir / Madam,

Re: i4B Holdings Limited

i4B holdings is a new landlord with properties in Greater London and the Home Counties. I am writing to you and other housing benefit services to help ensure housing benefit claims from our tenants are processed correctly and ideally speedily. There appears to be confusion as to i4B providing permanent private rented accommodation or temporary accommodation.

i4B Holdings Ltd is registered with Company's House, company no 10529802, and its Memorandum and Articles of Association are quite broad. The company's main area of business is based around providing private rented sector homes for rent at LHA rates. The company has over one hundred tenanted properties and tenants are issued with an i4B assured shorthold tenancy agreement.

Most of our tenants are nominated by LB Brent and through this nomination LB Brent place families in the private sector under a Local Authority discharge of duty under the Homelessness Act. As private tenants their housing benefit claims are subject to the limits of the local housing allowance in the Broad Market Rental Area in which they live, and the administration of their housing benefit claim falls to the local authority in which the property is located in the usual way.

i4B have a small number of properties used as temporary accommodation by LB Brent and in all temporary accommodation cases housing benefit is claimed from LB Brent.

The company manage a growing portfolio of properties through three management agents. These agents are Pinnacle Group, Mears Group and London Borough of Brent (BHL). Ideally i4B would like housing benefit payments to be paid directly to the management agent who in turn pay collected rent to i4B Holdings Ltd.

Below is a list of properties currently owned by i4B Holdings Limited within your Borough.

URN	Property Address	Authority	Postcode	Management agent	Status	Property let
I4B2						
I4B10						
I4B11						
I4B12						

I hope this information will help in the swift processing of housing benefit claims and if you need any additional information please do not hesitate to get in touch.

Yours Faithfully

XXXXXXXXXX

i4B Holdings Ltd