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Licence Agreement for Shared Accommodation (non resident landlord)

Introduction

This Brief provides members with a model licence agreement for use where accommodation is provided in situations where the workers are sharing a house, flat, or mobile home, in the particular circumstances detailed.

This agreement was drafted by Tessa Shepperson who runs the Landlord-Law website at www.landlordlaw.co.uk.

If your workers have their own rooms and the circumstances of a Licence do not apply, you will need to provide them with a tenancy agreement. These can be downloaded by annual members of www.landlordlaw.co.uk (current annual membership fee is £80). If the tenant is renting a room in a shared house, you will need one of the [Landlord-Law Type B tenancy agreements](#).

Guidance notes for Landlords

These guidance notes are intended to help landlords understand and complete the Licence agreement provided and available on the Association of Labour Providers website.

When is a Licence Agreement applicable?

The Licence Agreement is for use where the landlord is letting accommodation in a shared house, flat or mobile home. This agreement should be ONLY used:

- where the occupier has shared use of a bedroom with another occupier who is not their partner, or
- where the landlord reserves the right to require the occupier to share (and this is actually done sometimes) – NB the landlord can only require the occupier to share with someone of the same sex, and/or
- where the landlord reserves the right to move the occupier to another room (and this is actually done sometimes) and/or
- where the landlord provides services, such as cleaning, bed linen and towels, and/or meals

If none of these apply and/or if the occupier has 'exclusive occupation' of his room (particularly if that room has a lock) and only shares the living accommodation with no services provided, then the occupation will be a tenancy. This will happen automatically, and asking the occupier to sign a form headed 'Licence agreement' will not change this.

Note that if you use an agreement such as this which says that the occupier may be asked to share his room or move to another room, but in fact this is never done, or that services or meals are provided, but in reality they are not, then in any court case regarding the accommodation, a court will probably find that the occupation is a tenancy.

It is recommended therefore that from time to time (not often, just often enough to make the point) you require an occupier to share or to move rooms.

Legal obligations Although, as this is not a tenancy, you are not bound by the landlord's statutory repairing covenants, note that you are still covered by the Gas Regulations and will need to provide an inspection certificate from an installer registered with the Gas Safe Register, if the property has gas appliances.

If you have more than two occupiers, your property may also be considered to be an HMO. This will mean that you will be bound by the HMO management regulations, and if your property has more than three stories you may need to obtain a Licence. You should speak to someone at your Local Authority if you think that this may apply to you.

The damage deposit

As these agreements are not assured shorthold tenancies, it will not be necessary for you to protect the deposit under one of the government authorised tenancy deposit protection schemes. If a deposit is taken, you can therefore keep the deposit in your own bank account. The damage deposit clauses in this agreement are drafted on this basis.

Completing the forms

The agreement can be completed on screen and then printed out. To complete the form you need to click into the 'form field' where you type your information. If you have an up to date version of the Adobe Reader you may be able to highlight the fields, which will make it easier for you to find them.

There is no field next to the word 'dated' as agreements are normally dated in ink at the time they are signed. You will find the first field on page 1 by clicking about 1 centimetre to the right of the words 'The Landlord'. You should then be able to tab through the rest of the fields.

The fields are all on the first page, save for the additional clauses field on the last page.

Note that unless you have the special Adobe Acrobat software, you will not be able to save the forms with the information typed in the form fields, so you need to print out all the copies you need before closing the file.

Once you have printed all the copies you want, if you want to use the form for another agreement, you can clear the fields by clicking the blue re-set buttons at the top of the pages.

If you have any problems completing the form fields you will find some guidance in the Techie Help page on www.landlordlaw.co.uk (which linked from the blue box at the bottom of every page on the Landlord-Law site).

You will see that in a few places, some wording will have [square brackets around it] (as opposed to the round brackets used here). For example in clause 1.5, the reason for this is

that in some circumstances you may want to cross out the wording between the square brackets.

Whether you do so or not will depend on the circumstances of your particular agreement.

The front page

This page is a general introduction to the agreement, and contains the main details, such as the names of the parties, the property and the rent etc.

Note that the date does not have a field as the date is normally written in ink on the paper copy at the time the agreement is signed.

The room and the shared areas do not have a field either, but if you wish to record any of these, you can put them in the additional notes area on page 4.

Services The normal services you may provide are listed. Cross out those which do not apply. If you want to provide any other services, you can use the additional notes area on page 4.

The rent If you have special arrangements for paying rent, this can go in the additional notes area on page 4.

The inventory You do not have to have an inventory, but it is often a good idea to prevent arguments when the occupier moves out.

This is the end of the information which you need to insert in the agreement.

However a few explanatory comments are given below on some of the terms and conditions in the agreement.

Important note This note is attempting to make it clear to the occupier that they are responsible for any damage done by anyone they allow to enter the property. Because this note is here, there is no reference to visitors in the terms and conditions relating to the occupier's behaviour further on in the agreement.

1.5 There are square brackets round this clause as many landlords will include all bills in the rent. If this is the case then cross this clause out after the agreement has printed.

3.6 The smoking regulations provide that smoking should not be allowed in shared accommodation. If the occupiers are smokers, it is often a good idea (where practicable) to provide a table and chairs so they can smoke outside.

3.9.2 This sub clause was added at the request of ALP, as sometimes occupiers have been known to 'tinker' with equipment such as boilers, which could be dangerous. If there are any practices which particularly worry you, these can be added to the additional notes at the end.

3.11 & 3.12 These two clauses are there to prevent the occupation turning into a tenancy. However as discussed above, it is important that you do actually enter the room from time to time, and occasionally move occupiers or require them to share, to make it clear that this is something you are entitled to do. Subject of course to your requests being reasonable.

Section 4. Note that if you want to make occupiers liable under 4.2, you must provide them with details of the insurance policy. Otherwise this clause will not be enforceable.

Section 5 This section is basically trying to make the arrangements as flexible as possible, so that the agreement can be ended easily with just four weeks months' written notice on either side. If you do not want the occupier to be able to end the agreement during the original fixed period, then cross out the early termination wording on the front page.

6.3 Note that if the occupier does leave stuff behind, strictly speaking this is not yours to throw away or sell (unless they have left it in the rubbish bin!) If anything has been left behind which looks valuable, then you will need to serve notice on the owner before selling or disposing of it.

Landlord-Law members will find guidance on the procedure in the Landlords > Ending Tenancies section of Landlord-Law.

Additional notes As discussed above there may be additional information regarding services you are providing or agreed methods of payment of rent which you will want to go in here. You can also use it to record other things, for example any 'house rules'. If there is insufficient space, just put something like 'See attached page A' and continue on a separate piece of paper headed A. Get this initialled by the occupier and keep a copy with each of your agreements.

Note that this sort of Licence agreement is subject to the Unfair Terms in Consumer Contracts Regulations 1999, so any clauses here which are 'unfair' or take away rights which your occupier would otherwise have, will be void under the regulations. There is more information available on unfair terms on the Landlord-Law site.

Preparing the agreement for signature

Before printing, check to make sure that you have completed all the necessary 'fields' and that all spellings of names and the property address have been given correctly.

You need to have at least two copies of the agreement - one for you and one for the occupier.

You can print this either back to back or on one side only.

Signing the agreement

Either both you and the occupier can sign one of the agreements each so they can be swapped, (so you hold an agreement with the occupiers signature and they hold an agreement with yours), or there is no reason at all why you should not both sign both documents.

After the agreement has been signed

You should always keep agreements carefully. They should be kept for throughout the whole of the time the occupier is living in the property, and ideally for six years afterwards.

And finally...

For more information about lettings and the law relating to them, see the Landlord-Law site at www.landlordlaw.co.uk.