

Clarion Housing Association

- Licence to Alter Guide

WHY DO I NEED TO OBTAIN A LICENCE?

When purchasing a property you will have bought either freehold, leasehold or shared ownership.

If freehold you will have either a freehold transfer document or deeds. As Leasehold or Shared Ownership you will have a lease. All of which may contain covenants referring to obtaining written consent from Clarion before carrying out alterations to the property.

It is important that you do not enter into any agreement with contractors/purchase equipment until a signed provisional licence to alter has been signed and returned by yourself and acknowledged by the team.

Should you decide to sell your property in the future solicitors will request copies of these documents to confirm you have adhered to the terms of the lease and clauses relating to a licence to alter.

I AM THINKING OF BUYING OR IN THE PROCESS OF BUYING A PROPERTY PROVIDING I CAN CARRY OUT ALTERATIONS WHICH REQUIRES A LICENCE FROM CLARION TO ALTER. CAN I GET A LICENCE PRIOR TO PURCHASE?

Clarion do not unreasonably withhold consent however we are unable to advise of conditions that would apply or review a speculative application/request until you are legally the owner with your Notice of Transfer being processed by Clarion (see below). Our team cannot issue any form of licence prior to purchase. Only when you are registered as the new owner and we

have received a completed application will we make a full assessment of your proposed plans.

I HAVE RECENTLY PURCHASED THE PROPERTY; CAN I APPLY FOR A LICENCE TO ALTER?

As a new owner the terms of the lease or deeds would be applicable to you. However you need to ensure that your solicitor has issued Clarion's Customer Support Team with the Notice of Transfer (including the relevant fee) which is the legal document that enables Clarion to update our records to reflect you are the new owner. The Notice of Transfer can take up to 20 working days to process during which time our team cannot issue a formal licence.

I WANT TO ALTER/USE THE LOFT SPACE/BASEMENT SPACE IN MY PROPERTY?

In general permission will not be granted for you to carry out works in areas that are not demised to you under your lease or transfer deeds. The option to purchase the area in question may be considered by Clarion, for example loft space or basement area, by means of a Supplemental Lease. However the option for Clarion to sell is never guaranteed and would be subject to receipt of an open market valuation for the area as assessed by an Independent Chartered Surveyor at your cost and review of the impact the works may have to the structure ensuring no undue risk.

WHAT IS CLASSED AS AN ALTERATION?

Clarion use the term alterations to mean any home improvements that are above and beyond internal decoration (which includes plastering and painting of walls and ceilings), putting up shelving or replacing internal doors (excluding doors that open into communal spaces within buildings) or fitted bathroom and kitchen cupboards (where there is no change to electrical/gas or water points).

If the works will include the movement/installation or extension of current water/gas and/or electric supply to the property then consent [a licence] will be needed. Please note that building control approval, or planning permission, is different from a landlords licence

Some of the common alterations include;

	Examples of Alterations of which Landlord consent is needed
Kitchen & Bathrooms	Reconfigure kitchen
	Relocate kitchen
	Reconfigure bathroom
	Relocate bathroom
Miscellaneous Works	Install an air brick
	Install air conditioning
	Change fence panels
	Install Extractor Fan(s)
	Install sound proofing, or spotlights, by suspended ceiling
	Install under floor sound proofing
	Install laminate flooring
Doors & Windows	Replace windows
	Replace external doors
	Replace windows with door
	Replace front door
Gas	Install / Replace / Relocate a boiler
	Install new / Remove gas central heating
	Extend flue for boiler
	Move flue
Electrical	Re-wiring
	Electrical Upgrades
	Installing additional sockets
	Removing sockets
	Move electrical intake
Structural Works	Convert the basement
	Convert loft space
	Add extension/conservatory
	Convert one flat into two
	Knocking out an in-built cupboard
	Removal of internal walls
	Open up a new entrance
	Install partition or stud walls
	Install insulation in a cavity wall
	Install outbuilding or shed
	Remove outside wall
	Party wall issues
	Change of room use – changing bedroom to living room
	Remove asbestos in walls
	Solar panels
	Work affecting the thermal elements, energy status or energy performance of a building
	Laminate, Hardwood, Ceramic Flooring

If you are in doubt please contact the team to discuss before carrying out any works.

HOW DO I GET A LICENCE TO ALTER?

The Customer Support Team process all applications for a licence to alter a property. In the first instance you will be asked to complete a LTA1 application form. It is important that you complete the application form fully and provide documents to support your request to assist with processing the licence to alter.

Please note our role is to facilitate the process of obtaining a Licence to Alter and meet your obligations in the lease. We cannot recommend contractors or assist with the Project Management of your proposed alterations.

WHAT INFORMATION DO I NEED TO SUBMIT?

A typical application may require the following please note the below is not exhaustive;

- ✓ *Completed LTA1 (Licence to Alter) form with full description of works signed by all legal owners to the property.*
- ✓ *Copies of drawings/plans for the proposed works, including before and after (if applicable) and measurements.*
- ✓ *Specification of items to be installed, for example if replacing windows the dimensions and make/model of those proposed to be installed (which may be included in the quote obtained from the company).*
- ✓ *If Gas or Electrical works are included then the engineer's accredited registration number needs to be included (Gas Safe or N.I.C.E.I.C electrical engineer).*

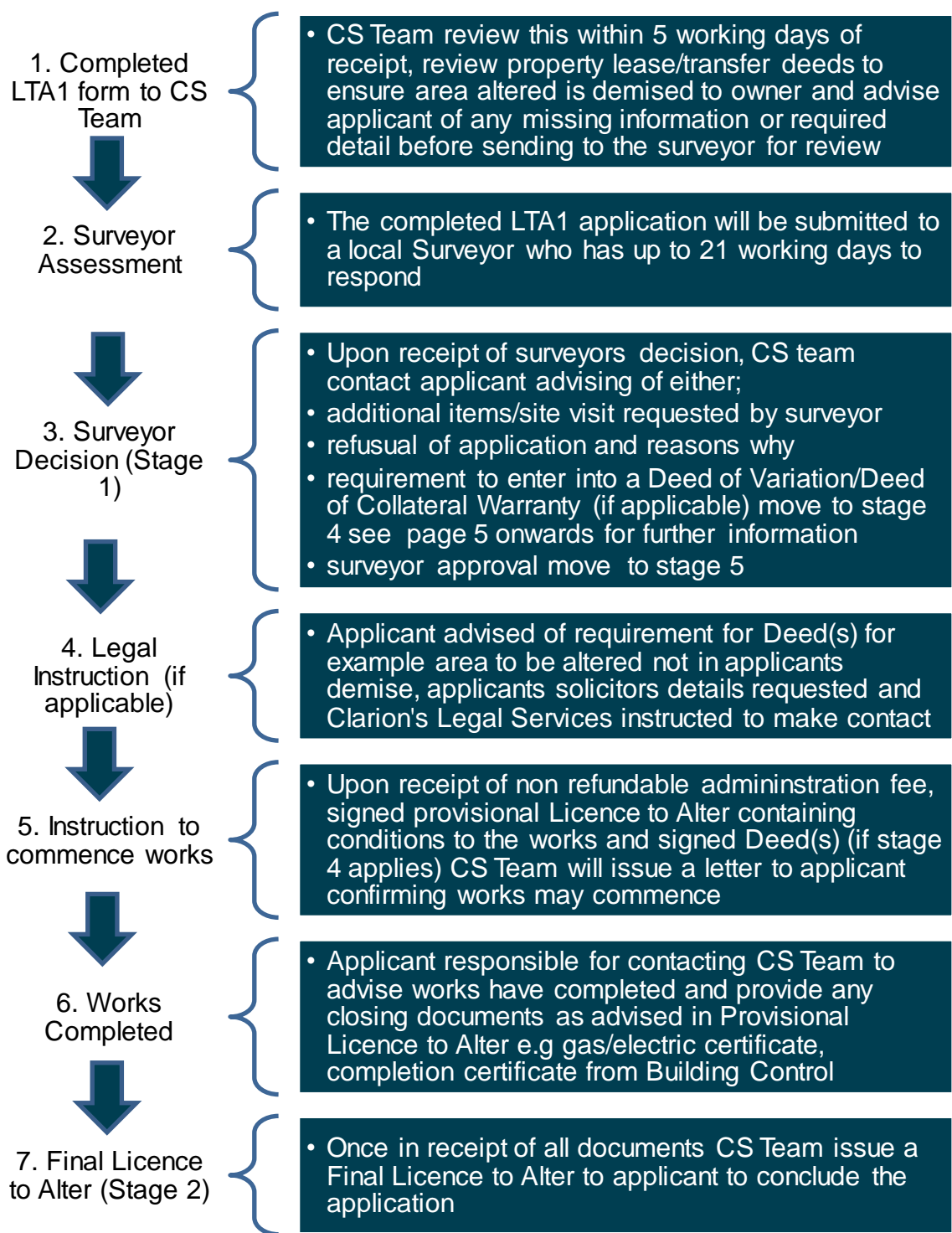
- ✓ *Full contact details of your proposed contractor(s) including copies of their Employee Liability Insurance (minimum £10 million), Public Liability Insurance (minimum of £5 million) and Professional Indemnity Insurance (minimum £1 million).*
- ✓ *For any architects or structural engineers involved with your project copies of Public liability Insurance and Professional Indemnity at the same thresholds is also applicable. Also refer to Section entitled 'Legal Documents' within this guide.*
- ✓ *Structural Engineers report and calculations for any works that include removal of internal/external walls.*

For larger scale works, such as extensions, you will need to include copies of your planning permission from your local authority, building control and if applicable Party Wall Notices to Clarion (Please read through section entitled Legal Documents further in the Guide).

Upon receipt of the application we will check that the area in question is demised to you and/or check that the item to be renewed or replaced is your responsibility under the terms of the lease.

WHAT IS THE PROCESS?

The completed LTA1 form, along with any additional documents where applicable, can be accepted by email (customerservices@myclarionhousing.com) but must be in the form of an attached document (for example, word or pdf). Please note all legal owners of the property must sign the LTA1 application form.



ARE MY WORKS CLASSIFIED AS MINOR OR MAJOR?

An administration fee is required to cover costs incurred by ourselves in terms of time and resources to review and process your application. The administration fee is non-

refundable and will sit within one of two classifications; Minor or Major.

Minor alterations are those that will not impact on the structure of the building such as installation of boiler or erection/removal of a non-load bearing stud wall. The fee to this is £75 + VAT.

Major alterations are those that will impact the structure of the building either by way of addition or alteration. These can include, but are not limited to, removal of load-bearing internal/external walls, extensions and conservatory's. The fee to this is £250 + VAT. Due to the scale of these works Planning Permission and/or Building Control can also be a requirement as per your local authority.

Our surveyors cannot review an application without copy of planning permission approval. Therefore it is advisable for you to first obtain any relevant planning consent from the local authority and include copy of this within your application. Please note your local authority will not make checks to ensure any works proposed are within your demise, therefore please ensure you take necessary steps to confirm this prior to submitting any applications to your local authority and incurring any fees. Please also see section within the guide entitled 'Legal Documents'.

The surveyor will notify us of any conditions that need to be attached to the licence in addition to our standard terms and conditions set out under our Appendix within this guide.

CAN MY APPLICATION BE REFUSED?

Clarion will not unreasonably refuse permission but we must assess any proposed alteration and the impact it may have. We will provide a full written explanation if a licence cannot be granted. Where this occurs, in order to grant a licence Clarion may request amendments to your application and apply conditions. Any conditions will be clearly identified in the provisional licence to alter. Failure to comply with those conditions will be considered a breach of your obligations under your lease agreement/title deeds.

If your service charge account is in arrears your application will only be considered if you can agree a repayment plan.

WHAT IF I HAVE ALREADY CARRIED OUT THE WORKS?

This guide and procedure applies also to cases where retrospective consent is required. For these applications an additional fee of 50% of the standard minor or major works administration fee will apply to cover additional costs in terms of time and resources. It is a breach of lease to carry out alterations without permission. Clarion can take action to remedy the breach and recharge to you the costs of such action if retrospective consent is not obtained.

Please note the timeframe to process retrospective applications is no different to a standard application.

LEGAL DOCUMENTS:

WHY DO I NEED A DEED OF VARIATION/DEED OF COLLATERAL WARRANTY?

A Deed of Variation is a standard document for use where a landlord (freeholder) and a tenant (leaseholder) agree to vary the terms of their lease. It provides a framework that can be used by the parties to document the particular changes that they have agreed. If your current lease details that an area you wish to alter is not part of your demise (ownership) Clarion may consider a licence for you to alter this as long as you enter into a Deed of Variation which will document that the repair and maintenance responsibilities are no longer the landlords (freeholder) and are now the tenant (leaseholders) including any successors to the lease. For example if the window frames are not within your demise and you wish to change the windows a condition to the Licence to Alter will include entering into a Deed of Variation. This clarifies that you are taking on all future repair and maintenance responsibilities to the newly installed windows and this will apply to all future owners of the property.

Most cases of major works require a collateral warranty. This is where your appointed contractor/architect/structural engineer enters into a contract that warrants to Clarion that it will fulfil its obligations under its professional

appointment, building contract or sub-contract (which is held between themselves and you).

The purpose of a collateral warranty is to give Clarion Housing, who is not a party to this contract, rights to enforce the terms of your contract in the event that your contractor/architect/structural engineer fails to meet their obligations.

The application is liable for all fees relating to this for both parties (applicant and Clarion)

WHY DOES MY BUILDER / CONTRACTOR /ARCHITECT NEED TO HAVE EMPLOYEE/PUBLIC LIABILITY INSURANCE/PROFESSIONAL INDEMNITY?

They are intended to protect Clarion, our properties and our residents from any incidents or accidents that may arise due to your builder, contractor and/or architect.

Employers Liability Insurance - £10 million – This is a legal requirement if your contractor employs one or more persons. The statutory minimum for this is £10 million and must come from an authorised insurer.

Public Liability Insurance - £ 5 million – This covers any event that the contractor causes damage/injury through their negligence or poor workmanship – e.g. setting fire to a block or causing a property to collapse/subside. Reputable builders carry sufficient cover as standard practice and the amounts advised are industry thresholds which safeguard not only Clarion but you as the owner.

Professional Indemnity - £1 million – This is designed to cover the cost of any claims made against your contractor/builder/architect by Clarion Housing for any losses suffered because of their work or advice. You as the employer would be responsible for the financial cost to rectify this therefore Professional Indemnity helps to safeguard your position.

WHAT IS A PARTY WALL NOTICE AND WHAT DO I NEED TO DO?

The Party Wall etc. Act 1996 requires the owner of the flat carrying out the work (“the Building Owner”) to serve a notice under the Act on all adjoining owners who have an interest in the party wall(s) so affected. An “owner” for the purposes of the Act is anyone who has an interest which is more than a yearly tenancy. There may be more than one “owner” of an adjoining property (known as “the Adjoining Owner(s)”) for example, a freeholder, long leaseholder, or someone with an agreement to purchase or lease. All such adjoining owners must be served with a notice prior to commencement of the work. Therefore we ask that leaseholders comply with the provisions of the Party Wall etc. Act 1996 means that the lessee must serve notice on all owners (including us as freeholders) – and provide to you copies of those notices. We strongly suggest that leaseholders seek independent legal advice on this point.

SHARED OWNERS ONLY – EQUITY WARNING

Works carried out to shared ownership properties may affect its value. If you sell your share of the home the valuer will not value alterations separately. Therefore any money spent is of your own choice and should it increase the value of the property overall at the point of selling your share you will have increased the value of your share as well as Clarion’s.

For example: 50% shared owner, alterations increase the value of the overall property by £10,000 this would be shared 50% shared owner £5,000 , 50% Clarion £5,000 at point of selling

However if you staircase to own 100% of the property. The valuer would take into account the alterations and calculate the share cost of buying the remaining shares accordingly. Ensuring that you are not paying twice, i.e once to carry out the alterations and again for the increase in value to the property it has created.

If you are planning to invest significant amounts of money into the shared ownership property for alterations/improvements it is prudent for

you to take into account if you plan to buy the remaining shares or not as it may have a financial effect to you as shared owner(s).

APPENDIX

STANDARD TERMS AND CONDITIONS OF ALL PROVISIONAL LICENCE GRANTED

The following general terms and conditions attach to all licences granted and must be followed up with documentary evidence where appropriate:

a. The works must be in accordance with the plans / specification submitted and completed by fully qualified tradesperson to the full satisfaction of the Clarion Housing Surveyor.

b. The leaseholder will be solely responsible for any damage caused by the works or any public or third party liability arising there from. The leaseholder must obtain copies of the proposed contractor's public and employee liability insurance certificates prior to any works commencing.

c. The leaseholder will be solely responsible for future maintenance to any alterations or works carried out under this permission, including any fixtures, fittings or appliances which he/she has provided and/or installed. All costs incurred in carrying out the alterations will be your responsibility. The Association will not contribute in any way and will not be responsible for any future maintenance on that part of the property. It must be understood that no financial responsibility whatsoever falls upon the Housing Association in respect of any works or alterations carried out under this permission.

d. The appearance of the materials used in the walls, roof or other element of any proposed work must so far as practicable match the appearance of the materials used in the majority of the equivalent element of the existing structure

e. The fixtures, fittings or appliances installed will become the landlord's fixtures on vacation of the premises at the end of the lease. Fixtures removed by outgoing leaseholder and being reinstated by the Housing Association will be charged to the leaseholder at the prices ruling at that date.

f. The leaseholder will be solely responsible for any additional costs incurred by the Housing Association whilst it is carrying out any maintenance, improvement or alteration works, if such additional costs

are caused by reason of the works carried out under this permission.

g. The Housing Association reserves the right to reinstate the premises, in all or part to the Housing Association's standard layout and fittings, upon termination of the lease. All costs of such reinstatement shall be the leaseholder's responsibility. The extent of any reinstatement will be at the discretion of the Clarion Housing Surveyor.

h. This permission is the landlord's permission only and does not exempt the leaseholder from their obligations under the Building Regulations, Town and Country Planning Act, or any other licensing or consent requirement. Applications must be made by the leaseholder and consent obtained from all relevant authorities before works commence. The leaseholder is to bear all of the costs in this respect and provide copies of all certificates issued to the Association.

i. The works must not cause nuisance to any neighbour or third party nor impinge on the use of any adjoining property in the Housing Association's control. This clause shall apply both during the course of the works and when they are completed.

j. The leaseholder will be responsible for ensuring the works do not disturb the structural integrity of the property. Any damage to the structure caused by the works or as a consequence of the work, including any overloading, will be the responsibility of the leaseholder. The leaseholder will ensure that all existing loads on the structure and any new loads created by the works are adequately supported by means of beams, lintels, load-bearing walls and the like, and that no part of the new or existing structure is overloaded

k. You will be responsible for ensuring the new structure does not restrict or prevent access to any drainage pipes or manhole covers.

l. If for any reason, the work is not completed to the satisfaction of the Association, you will be responsible for having the faults rectified. Should you fail to do this, the Association reserves the right to make good the faults and recharge the cost to you.

m. The leaseholder agrees to ensure necessary precautions are taken against

exposure to asbestos by disturbing materials (if applicable).

n. The leaseholder will ensure that any services; gas, water, electric and the like that are disturbed, altered or extended by reason of the alterations works are safe at all times. They must comply with current Gas, Electricity, or Water regulations or any other statutory requirement. Shared services shall be retained and shall not be interrupted during the works.

SPECIAL CONDITIONS WHICH MAY APPLY TO PROVISIONAL LICENCE

Other conditions will vary depending on the nature of the alteration, and may include the following, to be followed up with documentary evidence where appropriate:

o. The work must be carried out in accordance with current Building Regulations and be inspected by Local Authority building inspectors at any stage they may require. Building Regulations cover areas such as fire escape routes, ventilation, ceiling height, damp proofing, electrical wiring and water supplies. Underpinning and foundation work may also be needed.

p. Prior to commencement of works a full health and safety review must be carried out and documented. As part of this process, method statements, risk assessments and project specification information must be collated by the contractor.

q. You must obtain and pay the fees for any Structural Engineer's report and specification for structural works as required.

r. In respect of any glazing to be carried out, this must be done by a suitably certified company. For example; FENSA or CERTASS. A copy of the certificate issued on completion should be sent to the Association.

s. In respect of the replacement of any doors where there is a requirement for a fire door this must meet current regulations. Fire doors that include one or more windows must be glazed with certified fire resisting glazing.

t. If the works require the removal or moving of any existing electrical fittings, or the installation of new electrical wiring and

fittings, this work must be carried out by a suitably accredited electrician, and in accordance with Part P Building Regulations (Electrical Safety - Dwellings) and the current Edition of IET Wiring Regulations. On completion a copy of the Electrical Test Certificate must be sent to the Association.

u. If the works require the removal or moving of any existing gas fittings, or the installation of new gas carcassing and fittings, this work must be carried out by a Gas Safe Registered Engineer and in accordance with The Gas Safety (Installation and Use) Regulations 1998. On completion a copy of the Gas Safety Certificate must be sent to the Association.

v. If the HSE's Construction Design & Management Regulations apply to the project, you must accept responsibility as the client to ensure these regulations are followed

w. Should the proposed works fall within the Party Wall Act 1996, you will be responsible for the appointment and costs of a Party Wall surveyor or surveyors.

x. You will be responsible for the costs of any sound-proofing considered necessary as a result of the proposed alterations, and to an appropriate specification, i.e. high level of acoustic insulation and low sound transmission. Acoustic underlay must be used to ensure noise transference is kept to the absolute minimum.

y. Any damage to the structure caused by the works or as a consequence of the works, including any overloading, will be the responsibility of the leaseholder. The leaseholder would ensure that all existing loads on the structure and any new loads created by the works are adequately supported by means of beams, lintels, load bearing walls and the like, and that no part of the new or existing structure is overloaded.