

Cabinet	 TOWER HAMLETS
7 March 2017	
Report of: Aman Dalvi: Corporate Director Place Directorate	Classification: Unrestricted
LEASEHOLD ALTERATIONS REVIEW (including land and miscellaneous sales)	

Lead Member	Councillor Sirajul Islam , Cabinet Member for Housing & Statutory Deputy Mayor
Originating Officer(s)	Mark Baigent: Interim Service Head Regeneration, Strategy, Sustainability & Housing Options
Author	John Kiwanuka: Housing Client Manager Richard Chilcott: Head of Asset Management
Wards affected	All Wards
Key Decision?	Yes
Community Plan Theme	Great Place to Live

Executive Summary

The Council's policies for alteration of leasehold properties, and that for the disposal of housing land were last reviewed by Cabinet in 2004 and 2011 respectively. However, residents' expectations and Council priorities have changed over this period which has necessitated re-examining these policies. The recommended policies seek to protect the interests of the landlord and residents.

Under the terms of their lease, leaseholders require permission from the Council as their landlord before they can carry out alterations or improvements that will affect the external or internal structure of their properties. The landlord must also have regard to the Landlord and Tenant Act 1927, Section 19(2) of the Act states that regardless of the lease, consent for alterations cannot be unreasonably withheld. This policy sets out a consistent approach by which the Council assesses requests from tenants and leaseholders wishing to make alterations to their properties. It also outlines the Council's approach to retrospective permission when a leaseholder has made alterations to their property without first gaining permission from the Council.

This report also considers the policy around sale of housing land. The aim of the policy is to set out the Council's updated approach for selling land held within the Housing Revenue Account (HRA). When disposing of assets, the Council is subject to statutory provisions, in particular, to the overriding duty, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably secured for the disposal. This duty is subject to certain exceptions that are set out in the General Disposal Consent (England) 2003.

Recommendations:

The Mayor in Cabinet is recommended to: / The Mayor is recommended to:

1. Agree the Leasehold Alterations policy set out in **section 3**, and detailed in Appendix 1 and 2 of this report.
2. Agree the Housing Land Sales policy set out in **section 4**, and detailed in Appendix 3 of this report.

1. REASONS FOR THE DECISIONS

- 1.1 The Council's sale of housing owned land policy and procedure seeks to ensure that land sales are dealt with consistently and best value is always sought. The Council also has a separate responsibility to deal ethically and fairly with all potentially interested parties. This means that any party who may have an interest in making an offer for housing land has the opportunity to do so in circumstances no less favourable than any other party.
- 1.2 The Council is obliged to seek 'best consideration' upon disposal of any asset, (as required by Section 123 of the Local Government Act 1972). This means that the Council is under a statutory and public duty to obtain the best price reasonably obtainable for any property, or land, which it sells. In the last few years, the Council has received an increasing number of enquiries with regards to a) sales of communal grounds for use as private garden, and b) sales of communal drying rooms, lofts and storage spaces. Therefore it is necessary to review the original policy so as to set out an approach towards the discretionary sale of HRA Land and to make it clear from the outset what areas the Council will consider in terms of the disposal of its assets.
- 1.3 Under the terms of their lease, leaseholders are able to request that the landlord considers requests for alterations and the Council has a duty to consider such applications. This allows the Council, like other social landlords, to manage its assets by preventing unauthorised alterations and improvements which can adversely affect its buildings both internally and externally. The Council and Tower Hamlets Homes (THH) have become aware that there are an increasing number of such unauthorised alterations. Therefore, the Council has reviewed its approach to give clear guidance as to what type of alterations is acceptable and prevent the increase in unauthorised alterations.

2. ALTERNATIVE OPTIONS

- 2.1 Resident's expectations and Council priorities have changed since 2011 and 2004 when policies for leasehold alterations and housing land sales were agreed respectively.

- 2.2 Retaining the policies in the current form would not serve the aspiration of the Council and that of the residents. Therefore, it is of significant importance for the Council to refresh its policies to be consistent and equitable to the residents' expectations and its aspirations.
- 2.3 Leaseholders have applied for Council consent on a range of works both internal and external; this report proposes a new and more systematic policy for the Council with clearer definitions of the different types of alterations and the criteria for authorising them.

3. DETAILS OF REPORT

3.1 LEASEHOLD ALTERATION AND IMPROVEMENT POLICY

- 3.1.1 The revised policies in this report are designed to ensure a clear, fair, and consistent process for residents when applying for alterations to their homes or purchasing miscellaneous land from the Council. As a general rule the Council does not wish to place any obstacles in the way of leaseholders who would like to improve their properties since it recognises that this type of work can make a substantial contribution to their quality of life.
- 3.1.2 In implementing this policy revision THH will develop a communications plan. This will ensure that all policy changes are clearly and sensitively communicated to residents through its staff, the THH website, newsletters, resident events and other media as appropriate.
- 3.1.3 The Council has two types of leases, its own lease and the Greater London Council lease (GLC lease). The two leases require leaseholders to seek consent for alterations and improvement works on their properties, below are the relevant clauses for both leases:

Clause 4(k) of the GLC lease states that the lessee shall:

- Not at any time hereafter without the Council's prior written consent to make or permit to be made any alteration in the construction height elevation external or architectural appearance of the Flat or any part thereof or to alter or cut any of the principal walls or timbers thereof or to erect or build any additional or any substituted building whatsoever upon the Flat or any part thereof or enclose the portico thereof (if any) or to erect any fences or obstruction poles wires aerial or other erection upon the Flat or in any way alter or add to or interfere with the central heating or hot water system (where applicable) or other installations for the supply of electricity water or gas for space heating in the Flat.

Clause 3 (5) of the LBTH Lease states that the lessee shall:

- Not at any time during the said term to make any alteration in or additions to the Demised Premises or Without any part thereof or to cut maim alter or injure any of the Consent walls or timbers thereof or to

alter the landlords' fixtures without first having made a written application (accompanied by all relevant plans and specifications) in respect thereof to the Lessors and secondly having received the written consent of the Lessors thereto such work to be completed to the satisfaction of the Lessor.

- 3.1.4 However, the landlord must also have regard to the Landlord and Tenant Act 1927, Section 19(2) of the Act states that regardless of the lease, consent for alterations cannot be unreasonably withheld.
- 3.1.5 The Council recognises that alterations and improvement works can make a substantial contribution to the leaseholder's and tenant's quality of life, therefore the Council should not be a hindrance to leaseholders who would like to improve their properties. However consideration also has to be given in some cases to the effect of the planned work on the structure of the building and the possible impact on other residents. The aesthetics of any alterations also need to be carefully assessed in order to maintain the uniform appearance of the building. In addition, matters relating to the overall quality of home design are also very important.
- 3.1.6 **Reasonable grounds for refusing landlord consent:** The Council will normally not consider some types of alterations, such as the subdivision of flats, and extensions and conservatories in blocks of flats. More details are given in Appendix 1.
- 3.1.7 **Landlord consent and Planning Permission:** Landlord consent differs from planning permission. Planning permission is subject to the planning laws and regulations (including the Building Regulations). It is managed by the Council's Planning Department who shall send copies of **all** planning applications relating to Council housing to the Leasehold Services Team at THH so these can be checked to ensure that landlord permission has already been granted. It is the applicants' responsibility to seek appropriate planning and building control consents, however the award of these consents does not guarantee the award of landlords consent, they are separate considerations. An outline process for this application is provided in Appendix 1.
- 3.1.8 In response to a request for an alteration, **Landlord's consent takes priority.** It takes account of the requirements for the management of the building and the various criteria listed in paragraph 3.2.1 below. Landlord's Full Consent will be required before any physical works are undertaken.
- Conditional consent will require the meeting of certain criteria both before works can start and the meeting of all conditional requirements prior to formal consent being granted.
 - Formal consent will only be granted when these obligations have been fully met and agreed by a Council representative.
 - Should a lessee not fulfil these terms they will be deemed to be in breach of their lease and the Council will seek to take whatever action it deems appropriate to remedy the situation.

3.2 **Principal criteria for granting landlord permission to leaseholders**

3.2.1 Until now there has been no comprehensive list of the different types of work which leaseholders may consider doing and the Council's policy regarding them. Thus in order to improve clarity a detailed list has been drawn up of the categories of work requiring landlord consent and this is provided in Appendix 2. The following is a summary of the main criteria which are used in deciding whether the Council can authorise a proposed alteration. More details are provided in Appendix 1. These need to be considered in conjunction with the different types of work listed in Appendix 2.

3.2.2 **Internal work:** The Council will generally grant consent for proposed alterations to the inside of the property subject to a number of important qualifications. Subdivision of a property into two flats will usually not be allowed. Bedroom size must be acceptable. A flue for a new boiler or gas fire must not cause damage to the wall. Please see Appendix 1 for details.

3.2.3 **External, structural, safety or environmental criteria**

- When reaching its decision on whether to grant or withhold consent, the Council must have regard to a variety of criteria. The proposed work must not cause or be likely to cause any maintenance or structural problems. It must not encroach onto or affect the present or future use of any land which is not part of the flat.
- Building extensions or conservatories in the garden is not permitted within flats or blocks and any proposed alteration must not adversely affect other residents. Alterations must be aesthetically acceptable, and a professional opinion will be provided in this matter.. In the case of alterations the Planning Case Officer dealing with the individual case will determine what is acceptable. Any proposed works must fit in with the general style and appearance of the building and the estate. Consent will be considered for extensions and conservatories belonging to town houses or stand-alone properties that are not in an estate environment.
- Consent may be given to the placing of sheds and gazebos in gardens where this is reasonable and does not affect adjacent dwellings.
- Grilles over windows and security doors constitute a possible hazard in the event of fire and so can only be permitted where they conform to the most recent London Fire Brigade advice on this issue.
- The Council will not agree requests to fit laminate flooring and requires that a property must be covered with carpet and underlay other than kitchen and bathrooms.
- Consent for a replacement fire door will only be given if it is proposed to replace this with a door of the same specification.

- Consent for satellite dishes will not normally be granted and can only be considered if there is no TV communal reception system for the building.

3.2.4 Windows

- Ownership of windows lies with the Council and there is no expressed right on the part of the Lessee to replace or renew windows. The Council retains a full maintenance obligation for the upkeep of windows. However, it is custom and practice that Leaseholders have been allowed to replace windows, especially in situations where a window renewal programme has not been planned.
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- Windows will be refused if a window replacement is planned within 3 years, landlord consent will only be considered subject to the provision that the applicant is still liable for the cost of future window replacement works.

3.3 Conditions which applicants must meet before they can obtain landlord consent for work which the Council can agree in principle

3.3.1 Permission cannot be granted if:

- the applicant has arrears of service charges, Council Tax or any other debts with the Council, without an agreement to pay
- the Council is about to take or is taking action for any breach of the lease.

3.3.2 Subject to meeting 3.3.1 above, if the Council considers proposed alterations to be possible in principle the leaseholder must provide the following **before start of work so that conditional consent can be granted**

- Planning Permission (as required)
- Conservation Area requirements - relating to doors and windows and any external work - information available from the Planning Department
- Full description of the proposed work including a diagram or plans if appropriate
- Architectural plans for structural work or reconfiguration
- Structural calculations or engineers report
- Compliance with the Party Wall Act - party wall agreement with adjacent owners if the structure of the party wall is affected
- Cost estimate for insurance revaluation in the case of major work
- Fees - payment of the necessary landlord fees in advance
- Payment of a premium of up to 25% (if required in relation to major work) in respect of a reasonable sum, in respect of any damage or diminution in value.
- Site inspections - pre or post work as required. These will generally be carried out by THH Property Management

3.3.3 In some circumstances, no permission is required (for instance, internal decorations, repair or like for like replacement) and the Leaseholder will be informed of this at this stage.

3.3.4 **Following completion**

- Certificates - Building Control approval, certificates of Gas Safety, NICEIC (electrical safety) - to be provided by the leaseholder following completion of the work
- Post work inspection, if required
- Defects or non-compliance. Any faults or issues of non-compliance must be rectified at the leaseholder's own expense within 6 weeks.
- Major works - such as a loft conversion. This will require a Licence or, Deed of variation.

3.4 **Landlords Formal Consent**

3.4.1 The type of authorisation in relation to leaseholders depends on the nature of the work and whether it requires changes to their lease. Different forms of works will require different forms of authorisation. The administration involved generally depends on the extent and impact of the proposed works/improvements.

- Letter of Consent-a letter of agreement for works that are deemed to be reasonable and uncomplicated
- Licence for alterations – this is where there is a more substantive request for changes in the layout ,structure or otherwise that might require a Landlord permission (i.e. the installation of an ensuite shower room or the removal of a chimney breast.)
- Deed of variation - This is for anything that alters the demise (description of the property in the lease). This will generally mean a change in the number of rooms, for example in the case of a loft conversion; or where the Council agrees to sell a garden to the leaseholder

3.5 **Retrospective permission**

3.5.1 Appendix 2 lists the various types of work which require the permission of the Council as the landlord before it can be carried out. Where the Council becomes aware of alterations that have been undertaken without landlord consent, the leaseholder will have to submit a retrospective application for consent. The following criteria will apply:

- The policy as set out above will apply in all cases and the Council will take every effort to ensure that consent is not unreasonably withheld. The Council and THH will ensure that any issues relating to unauthorised alterations are reviewed in accordance with the surveyor's report

- Where permission is granted this will be subject to all conditions being met and fees/charges paid plus an administrative premium of between £350 and £2000.
- The Council will consider each application on its merits but are highly unlikely to agree retrospective permission for large scale works such as extensions or conservatories in blocks or flats which have a detrimental impact on either the maintenance obligations of the Landlord or the design consistency of the building
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- Where retrospective consent cannot be granted, the leaseholder will be required to reinstate the property to its former condition that is before the alterations were carried out, at no cost to the Council.
- An inspection of the property will be carried out to confirm that any work required by the Council as the landlord has taken place and that it is to a satisfactory standard. Advice will be sought from the Legal Service regarding appropriate enforcement action in respect of any failures to comply with the Council's conditions.

3.5.2 **Charges:** Section 19(2) of the Landlord and Tenant Act enables the landlord to require the payment of a reasonable sum to cover any legal or other expenses properly incurred as a precondition to the granting of a licence or consent.

3.5.3 **Appeals** There is no Council procedure for appealing against an application that is **not** approved. However the leaseholder may raise issues through the Council's Formal Complaints Procedure and the Housing Ombudsman

3.6 **Authorisation documents and fee structure**

3.6.1 Current charges levied by THH have not changed since the Cabinet report in 2011 and currently stand at £150 alteration application fee, and £171 structural surveyor's fee if required. However, this can vary depending on the extent and detail of the application and whether a site visit is required.

3.6.2 Some other authorities levy much higher charges for applications for example City West Homes application fees are £400, Lambeth Living £250 and Camden £417 for internal alterations and £747 for structural. The table below shows the different documents required by the issuing department and the revised charges being proposed.

3.6.3 All work which requires a licence or deed of variation must be authorised by the Council. **Table 1** below shows the different documents required by the issuing department and the standard charges. Further charges are necessary in some cases and these are described in the notes following the table.

	Services responsible for issuing authorising document and fee payable			
Type of approval	THH Leasehold & Council Housing		Property Services	Legal Services
	❖ Minor work	Major work		
No permission required	No charge – letter sent by THH following Council Notification	Not applicable	N/A	N/A
Letter of consent on behalf of the Council	£250	£300	N/A	N/A
Licence of alterations	£250	£300	£500	£750
Deed of variation	£250	£300	£500	£750

❖ Minor work: Not exhaustive but including kitchens, bathroom suites, new flooring, decorations.

3.6.4 In addition to the proposed standard fees in table 1 above, THH (Leasehold Services) will charge for a structural assessment of the proposals and to carry out a post inspection. The charge for this shall be levied at **£90 per** hour. In addition, the Leasehold Services Team will charge **£50** per hour for any significant administrative work required to resolve matters arising out of a failure by the leaseholder to undertake their responsibilities with regard to the works they carry out.

3.6.5 Compensation for damage or diminution in value of the premises:

This is a charge the Council has not previously pursued. Section 19(2) of the Landlord and Tenant Act 1927 states that a clause requiring landlord consent for alterations is deemed to be subject to a proviso that consent is not to be unreasonably withheld but this does not prevent the landlord from requiring as a condition of such licence or consent the payment of a reasonable sum in respect of any damage to or diminution in the value of the premises or any neighbouring premises belonging to the landlord. Each case is to be assessed by Asset Management sections and the appropriate advice given accordingly.

3.6.6 Disputed valuation: If the leaseholder disputes the valuation as determined by Asset Management or by a Valuer acting on behalf of the Council, then he or she may commission their own valuation of the work they propose at their own cost. However their costs will not be refundable even if their alternative valuation is accepted by the Council. The valuer they choose must be a member of the Royal Institute of Chartered Surveyors and must be agreed as being properly qualified by the Head of Property Services.

4 LAND AND MISCELLANEOUS ASSETS SALES

4.1 AIMS OF THIS POLICY

- 4.1.1 The Council has fairly wide discretion to dispose of its assets (such as land or buildings) in any manner it wishes. When disposing of assets, the Council is subject to statutory provisions, in particular, to the overriding duty, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably obtained for the disposal. This duty is subject to certain exceptions that are set out in the General Disposal Consent (England) 2003.
- 4.1.2 This Policy detailed in Appendix 3 sets out the procedure to be adopted in connection with the disposal of surplus and under-used assets and ensures that requests to purchase housing owned assets are dealt with in a fair and consistent manner and that any person who may have an interest in making an offer to purchase, has the opportunity to do so in circumstances no less favourable than anybody else. The policy distinguishes requests for small areas of land or space that may be considered for sale by private treaty and larger areas with development potential that should be sold on the open market.
- 4.1.3 The way the Council manages its land/property assets can have a significant impact both on the quality of services delivered to the public and the local environment. Effective asset management is essential to ensure the delivery of the Council's goals and objectives are realised in a sustainable manner, at the right time and on budget.
- 4.1.4 The Council shall consider the business case for disposing of any housing land that is no longer of any use to it and is unlikely to be in the future or which provides only a benefit that is disproportionate to the opportunity cost of the capital tied up in the asset.
- 4.1.5 Each land or space disposal shall be treated on its own merits and nothing in this Policy will bind the Council to a particular course of action in respect of a disposal. Alternative methods of disposal not specifically mentioned in this Policy may be used where appropriate, subject to obtaining the necessary authority.
- 4.1.6 Although this Policy will normally be followed, there will be occasions where the procedure may need to be changed, particularly for larger, more complex land/property sales.

4.2 THE 'SURPLUS' TEST

4.2.1 Land/property will be deemed surplus to the Council's requirements where:

- a. it makes no contribution to the delivery of the Council's services, strategic or corporate objectives;
- b. an alternative site has been identified which would be more cost effective in delivering the Council's services, strategic or corporate objectives;
- c. it has no potential for strategic or regeneration/redevelopment purposes in the near future;
- d. it will not contribute to the provision of a sustainable pattern of development;
- e. it makes no contribution to protecting and enhancing the natural, built and historic environment, including making no contribution to helping to improve biodiversity.

4.2.2 The Council is required to publish details of land/property which it has declared surplus to requirements or under used¹.

4.3 THE 'UNDER-USED' TEST

4.3.1 Land/property will be deemed to be under-used if:

- a. part of the site is vacant and is likely to remain vacant for the foreseeable future;
- b. the income being generated from the site is consistently below that which could be achieved from:
 - (i) disposing of the site and investing the income;
 - (ii) an alternative use;
 - (iii) intensifying the existing use;
- c. only part of the site is used for service delivery and this could be delivered from an alternative site;
- d. it makes no contribution to protecting and enhancing the natural, built and historic environment, including making no contribution to helping to improve biodiversity.
- e. In the case of open spaces, amenity areas and similar sites, the under-used test should also consider the 'community value' of the asset, which would include visual amenity and not be limited solely to income generation or whether the site is vacant etc.

4.4 **Meaning Of Disposal:** For the purposes of this Policy, a disposal means any freehold disposal, by sale or exchange, of Council owned land/property (including buildings) and any disposal by the granting of a lease or licence for a period greater than 7 years. Leases of 7 years or less or assignment of a term which has not more than 7 years to run are not covered by this Policy, as they are exempt from the statutory requirement to obtain best consideration. Disposal takes place at the time of completion and not exchange².

¹ Local Government Transparency code 2014

² Section 128(2) Local Government Act 1972 and R (on the application of Structadene Ltd) v Hackney LBC [2001] 2 All ER 225

4.5 **Meaning of Best Consideration:** Best consideration' means achieving maximum 'value' from the disposal, not just maximum price. Disposal at less than market value must contribute to the 'promotion or improvement of the economic, social or environmental wellbeing of the area [see section 1.2 of Appendix 3].

4.6 **Means Of Identifying Surplus Or Under-Used Land/Property:** Surplus or under-used land/property may be considered for disposal:

- a. following an asset management review;
- b. following the identification of development opportunities;
- c. through a corporate property portfolio review;
- d. through the declaration of specific sites as being surplus to requirements;*
- e. through Local Plan designation;
- f. following a direct approach from an interested party;
- g. where the disposal helps to deliver other Council objectives e.g. the provision of housing in the Borough;
- h. where management of the land/property is considered suitable for community ownership or has been determined as an 'asset of community value'.

*Where an under-used asset is generating an income, a cost/benefit analysis must be carried out to establish whether it is in the Council's best interests to dispose of the site.

4.7 **Amenity land** - certain rights, environmental or economic conditions may preclude the sale of amenity land for example:

- a. the land is subject to rights of way over it;
- b. the land is a landscaping feature of the local environment, or designated public open space;
- c. sale of the land would incur additional costs for the Council (for example, the re-siting of lamp posts or telephone cables) unless the applicant is willing to finance the additional costs (payable in advance);
- d. the land has been identified for future regeneration or development by the Council;
- e. following a request to purchase amenity land, a review identifies future regeneration or development opportunities for the Council;
- f. the sale of the land may prejudice future development by the Council;
- g. there are management or other issues that would cause inconvenience to the Council if the land was to be sold.
- h. Applications to purchase loft or roof space may be refused due to risks of landlord liability for structural repairs and liabilities emanating from such proposals.

4.7.1 Approaches from private individuals to buy Council owned amenity land (e.g. green space land on Council housing estates) to benefit their existing residential property will be considered where:

- there is a broader community benefit to the disposal e.g. a rationalisation of small parcels of 'backland' open space, either rarely used or often misused; or
- there are management/financial issues for the Council e.g. the land is costly to maintain; or
- the applicant has extenuating circumstances e.g. there are health grounds in relation to the applicant and/or their family and the sale of the land would improve their quality of life and would not adversely affect the quality of life of others in the neighbourhood – (the applicant will need to provide evidence to support and justify the application to purchase).

4.7.2. Where the Council considers that amenity land has development potential and agrees to dispose of the land, the valuation will reflect this. An overage clause may be applied and/or restrictive covenants placed on any future development. The Council as landowner may, through a development agreement, engage a developer to carry out the development of the site on its behalf. Arrangements may comprise a grant of a lease of the whole site with the developer receiving a fee based partly upon the development value.

4.7.3 Disposals of amenity land will normally be by private treaty. However, where the Council considers that the amenity land may be of interest to persons other than the applicant, the Council may dispose of the land on the open market.

4.8 MEANS OF DISPOSAL

4.8.1 **Private Treaty: This is** a sale of land/property negotiated with one or a small number of interested parties either through a direct approach from an individual/s, or through a marketing exercise. A private sale without marketing the land may be justified where for example:

- a. the land to be disposed of is relatively small in size and an adjoining or closely located landowner is the only potential or likely purchaser;
- b. the Council's corporate objectives and best consideration can best be achieved by a sale to a particular purchaser;
- c. the purchaser has a particular interest in purchasing the land or a particular association with the land;
- d. the nature of the Council's land ownership and that of the surrounding land ownership is such that the land must be sold to adjoining or surrounding
- e. the Council's land is part of a larger area of land that is proposed for development, redevelopment or regeneration and the nature and complexity of the proposed development of the overall site is such

that the Council's corporate objectives and best consideration can only be achieved by a sale to a purchaser with an existing interest in land in the Background and main details of the report.

- 4.8.2 **Public Auction: When this option is pursued by the Council** the sale of land/property will be by open auction available to anyone. The sale will be publicly advertised in advance. A binding legal agreement is created upon the acceptance of a bid by the auctioneer. Reasons justifying sale by this method and how the reserve price is determined must be recorded in writing.
- 4.8.3 **Formal Tender** – a sale of land/property by a process of public advert and tenders submitted by a given date. This is a suitable mechanism where there are identified development proposals. A fair and transparent tender process will need to be adopted.
- 4.8.4 **Exchange of Land** – a transaction involving the exchange of Council owned land with another land owner. The land acquired by the Council will meet at least one of its corporate objectives and will be 'equal' in commercial worth to the land exchanged whether from the value of the land itself or where a payment is made in addition to the land exchanged.
- 4.8.5 **Informal Negotiated Tender** – a transaction involving a public advert that requests informal offers or bids that meet a given specification or set of objectives. The Council may then negotiate further or more detailed terms with one or more individuals who submitted the most advantageous bid or bids.

5. COMMENTS OF THE CHIEF FINANCE OFFICER

- 5.1 This report requests the Mayor in Cabinet to agree the Leasehold Alterations policy set out in section 3 and detailed in Appendices 1 and 2, and to agree the Housing Land Sales policy set out in section 4 and detailed in Appendix 3.

Leasehold Alterations Policy

- 5.2 The aim is to provide clarity about the types of work that leaseholders may consider carrying out, and to set out what the Council's policy is with regards to each of these. In relation to leaseholders obtaining landlord consent, paragraph 3.3.1 sets out that permission will not be granted if the applicant has any outstanding service charge arrears or other debts owed to the Council where no agreement to pay is in place.
- 5.3 Paragraph 3.3.2 sets out the conditions that leaseholders must meet before the Council will consider granting agreement in principle to proposed alterations, including that any necessary landlord fees must be paid in advance, and that the leaseholder pay a premium of up to 25% (if required in relation to major work) in respect of a reasonable sum in respect of any damage or diminution in value.

- 5.4 In relation to where leaseholders request retrospective permission, paragraph 3.5.1 sets out that where this is granted by the Council, an additional administrative premium will be charged, and where retrospective permission is denied, that the leaseholder will be required to reinstate the property to its former condition, at no cost to the Council.
- 5.5 The table at paragraph 3.6.1 outlines the charges to be levied by the Council where a licence or deed of variation are required, and paragraph 3.6.2 sets out the proposed charge per hour for a structural assessment of the proposals, and for carrying out a post inspection.
- 5.6 So far in 2016/17, £16,650 in application fees has been received. This report proposes the introduction of a range of fees, which should lead to additional income in future years, although this is not quantifiable as the volume and type of permissions sought is unknown and also includes charges in relation to retrospective permission.
- 5.7 The charges will be reviewed on an annual basis as part of the review of Fees and Charges.

Land and Miscellaneous Assets Sales

- 5.8 The aim is to set out a procedure to be followed in relation to the disposal of surplus and under-used assets, and, as set out in paragraph 4.5, of ensuring that the Council achieves 'maximum value' from such sales. There will need to be a corporate review of 'surplus' assets before disposal.
- 5.9 Disposal of assets held under HRA powers means that any receipt is 100% usable to fund the HRA capital programme. The receipt could however instead be used within the General Fund, but if the receipt were used within the General Fund for purposes other than the provision of affordable housing or regeneration, then an adjustment must be made to the HRA's Capital Financing Requirement (CFR). This would have the effect of reducing the capital financing charges allocated to the HRA and increasing those allocated to the General Fund.
- 5.10 It will be necessary to seek Commissioner approval (under the terms of the Secretary of State's directions of 17th December 2014) for any property or land disposals.

6. LEGAL COMMENTS

- 6.1 The report proposes changes to Council policy in respect of alteration of leasehold properties and disposal of housing land.
- 6.2 Alterations: The leases granted by the Council include provisions dealing with alterations or improvements to the external or internal structure of these properties. The Council's prior consent will usually be required where alterations or improvement are permitted within the lease. Section 19(2)

Landlord and Tenant Act 1927 provides for consent not to be unreasonably withheld. The report sets out the criteria for granting landlord's consent.

- 6.3 Disposal of land held under Housing Revenue Account: Whenever a local authority disposes of land held by it for housing purposes it has to have regard to section 32 of the Housing Act 1985. Section 32 states that a local authority may not dispose of any land held by them without the consent of the Secretary of State. In order to facilitate the disposal of land held for housing purposes the Secretary of State has issued a series of general consents, which permit the disposal of land held for housing purposes without the need to obtain express consent. The consents are collectively known as The General Housing Consents 2013.
- 6.4 In accordance with paragraph A2.2 of the General Housing Consents a disposal includes the conveyance of a freehold interest and grant of a lease of any duration. Paragraph A3.1.1 of the General Housing Consents provides that a local authority may dispose of land for a consideration equal to its market value.
- 6.5 Disposal of Land not held under Housing Revenue Account: By virtue of section 123 of the Local Government Act 1972 ('the 1972 Act'), the Council may dispose of its land in any manner that it may wish. However, except in the case of a short tenancy (i.e. leases of less than 7 years), the consideration for such disposal must be the best that can reasonably be obtained. Otherwise the Council requires consent of the Secretary of State for the disposal.
- 6.6 Where land is designated as open space, s122 (2A) of the 1972 Act requires the Council to advertise its intention to dispose land for two consecutive weeks in a local newspaper and consider any objections
- 6.7 The Direction: The Direction issued by the Minister on 17th December 2014 (as amended) requires the Council, until 31st March 2017, to "*..... obtain the prior written agreement of the Commissioners **before** entering into any commitment to dispose of, or otherwise transfer to third parties, any real property other than existing single dwellings for the purposes of residential occupation.*" Commissioners consent will therefore be required for relevant disposals occurring during the Directions period.
- 6.8 The Council's procedure for disposals and lettings: The Council's procedure for disposals and lettings, adopted at Cabinet on 8th April 2015, specify that disposals may be by one of the following means: (a) informal tender; (b) formal tender; (c) auction; and (d) sale by negotiation. The procedures provide that the Service Head, Corporate Property and Capital Delivery will determine the most appropriate method of disposal, based on the type and

location of the property and the prevailing property market and subject to the Council meeting its legal requirements.

- 6.9 Section 3 Local Government Act 1999: The Council is obliged as a best value authority under section 3 of the Local Government Act 1999 to “make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness’. It is considered that obtaining best consideration by market value contributes towards this duty and the fulfilment of this duty is further addressed in paragraph 7 below.
- 6.10 Section 149 Equality Act 2010: The Council is required when exercising its functions to comply with the duty set out in section 149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful

7. ONE TOWER HAMLETS CONSIDERATIONS

- 7.1 Equalities Impact Assessment (EIA) has been considered and there are no specific equalities implications arising from this report. The policies in the report are designed to ensure a clear, fair, and consistent process for residents when applying for alterations to their homes or purchasing miscellaneous land from the Council. Following the decision, services to residents will remain the same as before. It is the council’s duty to ensure that THH deliver efficient and effective services; accessible to all that meets the needs of different people.
- 7.2 Under the terms of their lease, leaseholders require permission from the Council as their landlord before they can carry out alterations or improvements that will affect the external or internal structure of their properties. Similarly, the Council’s sale of housing owned land policy and procedure seeks to ensure that land sales are dealt with consistently and best value is always sought.

8. BEST VALUE (BV) IMPLICATIONS

- 8.1 The Council is required to consider the value for money implications of its decisions and to secure best value in the provision of all its services. Paragraph 5 above notes in detail the steps the council will take to ensure best consideration is obtained for this proposal. When disposing of assets, the Council is subject to statutory provisions, in particular, to the overriding duty, under section 123 of the Local Government Act 1972, to obtain the best consideration that can be reasonably secured for the disposal.

9. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 9.1 There are no specific greener environment implications arising from this report.

10. RISK MANAGEMENT IMPLICATIONS

- 10.1 Retaining the policies in the current form would not serve the aspirations of the Council or that of residents. Leaseholders have applied for Council consent on a range of works both internal and external; this report proposes a new and more systematic policy for the Council with clearer definitions of the different types of alterations and the criteria for authorising them. Under the terms of their lease, leaseholders are able to request that the landlord considers requests for alterations and the Council has a duty to consider such applications. Equally, the council is obliged to seek 'best consideration' upon disposal of any asset, (as required by Section 123 of the Local Government Act 1972).

11. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 11.1 The Council, like other social landlords, manages its assets by preventing unauthorised alterations and improvements. Unauthorised alterations and improvements can adversely affect the Council's buildings both internally and externally and can put residents' lives at risk. The Council and Tower Hamlets Homes (THH) have become aware of an increasing number of unauthorised alterations. Therefore, the Council has reviewed its approach to give clear guidance as to what type of alterations is acceptable and prevent the increase in unauthorised alterations.

12. SAFEGUARDING IMPLICATIONS

- 12.1 There are no specific safeguarding implications arising from this report
-

Linked Reports, Appendices and Background Documents

Linked Report: NONE

Appendices

- Appendix 1: Principal Criteria For Approving Alterations
- Appendix 2: Types Of Alterations Requiring Landlord Permission
- Appendix 3: Council Housing Amenity Land Disposal

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012: NONE

Officer contact details for documents: John Kiwanuka x2616

Appendix 1

PRINCIPAL CRITERIA FOR APPROVING ALTERATIONS

This Appendix describes the main criteria which the Council as the landlord uses in relation to applications for alterations to its properties. It should be noted that where an alteration can be agreed which significantly affects the exterior or the structure of the building, the leaseholder will have to accept complete responsibility for any work required in relation to its future maintenance or replacement or the cost of the rectification of any damage to the rest of the building. Each of these criteria should not be regarded as being self-contained since they often have implications for other types of alterations.

A. Internal work

Consent will normally be given for proposed alterations to the inside of the property subject to the following considerations: -

Change of the layout (reconfiguration). The Council can only give consideration to this type of proposal if a change in the use of a room does not impact on other flats in the building (for instance see 'bedroom position'). It must not cause additional noise or disturbance on account of changes in the habitation or the use of the premises that could not have been envisaged in the original design of the building and of the adjacent living spaces. Any proposed change in layout should not reduce the possibility of escape from the flat in the event of a fire nor should it increase the likelihood of the onset or spread of fire and smoke.

Subdivision: subdividing the property into more than one dwelling unit will generally not be allowed

Structural alterations must not be such that they could affect the stability of the building

Bedroom size: the proposed size of a bedroom must not fall below the minimum reasonable and acceptable standard. See the Governments 'Nationally Described Space Standard' the minimum single bedroom size is 7.5m² and for a minimum double bedroom size, 11.5m².

Bedroom position: a bedroom must not be situated above or below a living room or kitchen of another flat

Overcrowding: any alterations must not make the property likely to become overcrowded, as defined by the Housing Act 1985 c. 68 Part X .

New window or door openings: the creation of a new window or doorway in the outside wall will not be allowed, except for windows or doors in approved extensions

Fireplace: creation of a new fireplace or the opening up of one that has been sealed. This will not normally be permitted in view of the burden of the additional maintenance for the landlord in relation to the flue and chimney in the building.

Loft alterations: unless it is clearly included as part of their property under the terms of their lease, Leaseholders have no right to make any alterations to this area

Alterations to a loft will not be allowed where communal services run through a roof. Where there are not, alterations to these areas will only be allowed where they will not adversely affect the roof, be likely to cause noise in adjacent flats or cause potential liabilities for the Council.

Applications to purchase loft or roof space may be refused if there are risks of landlord liability for structural repairs or liabilities emanating from such proposals (see Appendix 3-Miscellaneous Sales Policy)

Boilers and flues: Any work in relation to installing a new flue or changing an old one must be agreed beforehand by the Council. Any damage caused to the outside of the building will be repaired by the Council at full cost to the resident concerned.

Flooring alterations:

- a. **Laminate flooring:** The leaseholder is required to cover and keep covered the floors of their property with carpet and underlay other “than those of the kitchen and bathrooms”. Consequently, requests to fit Laminate permission will be refused.

Where laminate flooring has already been fitted without permission by a previous occupant, this will only be granted retrospective permission where is full documentation of the specification that demonstrates work of a good standard and a high degree of sound insulation.

- b. **Solid timber, flooring finishes in stone, tiles and so on.** Permission can only be granted if the Council is satisfied that the main structure of the floor is capable of supporting the additional loading. The specification must be of good quality and documents must be provided indicating the exact nature of what is proposed. In addition it must be shown that the sound insulation will be sufficient to prevent footfall noise from causing inconvenience to neighbouring properties
- c. **Carpet and floor coverings** must be used on all floor surfaces wherever necessary to prevent excessive footfall noise from disturbing neighbouring properties.

B. EXTERNAL, STRUCTURAL, SAFETY OR ENVIRONMENTAL CRITERIA

When reaching its decision on whether to grant or withhold consent, the Council as landlord will have regard to the following: -

- a. **Making the property structurally dangerous or unstable:** The Council maintains the absolute right to withhold consent if the proposals could make the property dangerous or unstable. This normally includes proposals such as removing a supporting wall or where the foundations could be weakened by the alterations. Even in such cases, the Council may consider granting

consent subject to it being satisfied that appropriate and properly validated structural remedies are included within the proposed works.

- b. Causing nuisance or inconvenience to other residents:** Permission will not be granted where there is the possibility that other residents may be adversely affected, for whatever reason. Where other residents are required to be consulted, only one objection will be necessary for the council to withhold consent. Some proposals will have greater potential than others to cause a nuisance or inconvenience to other residents. The extent to which this is the case will have a bearing on the landlord's decision on whether to grant or withhold consent.
- c. Aesthetic considerations:** The Council has the right to withhold consent if it is considered that the proposals are not in keeping with the building or surrounding area. A professional opinion will be provided in this matter. All cases will be considered on their merits and the Landlord will not adopt a blanket approach. A decision to grant consent in one area or with regard to a particular type of building will not bind the Council when considering other similar proposals, since different criteria may apply, such as those of a stylistic nature in relation to the building or the neighbourhood.

Furthermore, while the Council may grant consent to erect a conservatory or extension to the leaseholder of a flat in a 'traditional' semi-detached dwelling (if the construction is in keeping with the features of the building), it will not normally grant consent to the leaseholder of a flat in a block of flats for this type of development.

d. Exterior minor work

- **Exterior brickwork:** Any changes to the exterior, such as painting of the brickwork require landlord permission but will not normally be allowed
- **Exterior fixtures and fittings:** The attachment of anything outside the property requires permission from the Council. Examples are security cameras, burglar alarm boxes, external signage and exterior lighting

e. Conservatories

A conservatory will not normally be permitted where the flat is situated in a block of flats and will have a negative impact on the design consistency of the buildings and the maintenance obligations of the Landlord. —

Permission for a conservatory can usually only be considered where the garden belongs to a maisonette, a house or flat and is for the sole use of the residents who live in it.

It must not extend above ground floor level and it should occupy no more than one third of the garden area. Please see previous paragraph c. Other issues which may prevent this type of development are:

- Maintenance of the upper maisonettes and the rest of the building — for instance a new conservatory may make it very difficult to set up scaffolding to access the rear elevation
- Access to underground drainage for long term maintenance purposes may be impeded
- Rainwater run off gutters or pipes may be impaired
- A new opening in the rear wall may incur extra liabilities for the landlord.

As part of the agreement (deed) with the Council, a leaseholder must agree to undertake all the necessary work relating to the new development including its future maintenance, its replacement or removal and any making good of the exterior or structure or the rest of the building or any part of the garden which may be required as a result of it.

f. Gardens

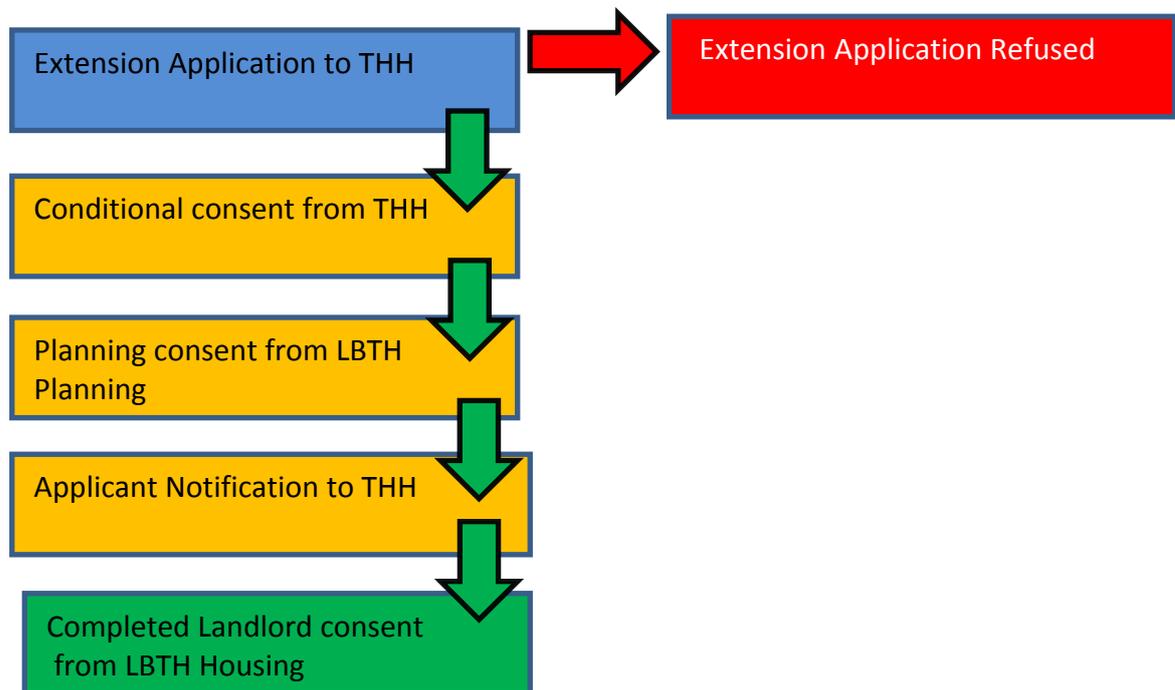
The Council will only consider applications for extensions in a garden area (which is part of the demise of the property) in exceptional circumstances.

Furthermore consideration of this type of application will only normally be given in relation to converted (street) properties rather than flats within blocks. In processing such a proposal, the Council will consult with other residents to find out whether they have any reasonable objections (see also the other paragraphs in this Appendix).

g. Extensions

The Council will not generally agree any requests for an extension in a block, of maisonettes or flats (see above).

An overview of the applications process is illustrated below.



Where the Council can agree to the building of an extension (please also see h below), the following conditions will apply. Under the planning regulations, planning permission is always required (as well as landlord consent) for this type of development in relation to a flat or maisonette. The new structure must not be greater in height than the flat to which it belongs.

Other issues which may prevent this type of development are:

- The capacity of the existing drainage and sewage pipes may be insufficient to serve it adequately
- The new structure may interfere or adversely affect the access of other residents to the building or the garden
- Access to underground drainage for long term maintenance purposes may be impeded
- Rainwater run off gutters or pipes may be adversely affected
- A new opening in the rear wall may incur extra liabilities for the landlord

As part of the agreement (deed) with the Council, a leaseholder must agree to undertake all the necessary work relating to the new development including its future maintenance, and any making good of the exterior or structure of the rest of the building or the garden which may be required as a result of it.

h. Windows

Ownership of windows lies with the Council and there is no expressed right on the part of the Lessee to replace or renew windows. The Council retains a full

maintenance obligation for the upkeep of windows. However, it is custom and practice that Leaseholders have been allowed to replace windows especially in situations where a window renewal programme has not been planned.

Windows will be refused if a window replacement is planned within 3 years, landlord consent will only be considered subject to the provision that the applicant is still liable for the cost of future window replacement works.

i. Communal areas

Any proposals that might affect access to or the use of a communal area including corridors, stairs, entrances, basement areas, gardens and lofts will not be permitted.

j. Building on land which is not part of the flat

The Council will not grant permission to any leaseholder who seeks to encroach or trespass onto land outside the demise of their lease. Furthermore it will take all necessary action to prevent any such encroachment.

Granting permission to extend onto land not defined in the lease can have a detrimental effect on the future use of that land. It can reduce the quiet enjoyment and use of the land by other residents as well as bind future occupiers of neighbouring properties to restricted use of what was originally land demised to their property.

Although providing the potential for income, the sale of small parcels of land could also reduce the long term potential of the Council to meet housing need by limiting the use of its retained land and property assets. In exceptional cases it could reduce development opportunity if land sold to a leaseholder could have been put to better use by including it in an adjacent plot to improve its development potential.

k. Preventing light or air reaching other residents

The Council will not generally allow any development that will significantly reduce the light and air for other residents. It will have regard to the extent that any proposal adversely affects the quality of light or air to other residents and will seek advice from the relevant professionals within the Council before reaching a decision. The Council has the right to refuse permission where it is considered the proposal has a disproportionate and adverse effect on other residents.

l. Digital TV aerials and satellite dishes

The Council does not generally permit the installation of individual satellite dishes by tenants or leaseholders on its buildings since this frequently causes considerable damage to roofs and the outside fabric of the building. Its policy is for the removal of all unauthorized installations and to recharge the resident responsible for the cost of doing so.

Consideration can only be given to a request for the installation of a dish if there is no communal dish or TV aerial for the building. Furthermore in the case of blocks of flats, planning permission is invariably required for the installation of TV aerials or dishes as well as landlord consent.

m. Conservation areas and local byelaws

Landlord consent will not be granted where the proposed alterations contravene local bye-laws, conservation areas or where the decision is at odds with the prevailing tenancy conditions of Council property in the area.

n. Health & safety implications

All applications to make alterations will be subject to the health and safety regulations and to any considerations arising from them. The Council will adopt this approach both when reaching a decision to grant or withhold consent and in determining the terms of the formal Licence to alter.

o. Security grilles

Consent to fit grilles over windows and security doors constitute a possible hazard in the event of fire and so can only be permitted where they conform to the most recent London Fire Brigade advice on this issue.

The Council will therefore only agree to security grilles being installed over either windows or doors where it is evidenced that these regulations are complied with. Where a security gate and grilles are already fitted the Leaseholder has the responsibility of ensuring that it conforms to the latest London Fire Brigade regulations.

p. Fire safety doors: Agreement will only be given to remove a fire safety door when it is proposed to replace it with a door of a similar specification

Appendix 2

TYPES OF ALTERATIONS REQUIRING LANDLORD PERMISSION

Type of alteration	Does leaseholder require permission?	Council Consent Letter?	Licence for Alterations	Deed of Variation	LBTH Client and THH Leasehold Services Charge?	Property Service Charge?	Legal Charge?
Bathroom — new/ replacement	No, if replacing fittings like for like and the existing service connections are re-used	No	No	No	No	No	No
Boiler (gas) — new, change or replacement	Yes, we need to have a copy of the Gas Safe Certificate	Yes	Yes where no previous central heating	N/A	£150 + VAT	N/A	N/A
Boiler (new flue)	Yes, if a new opening in the external wall is required	Yes	N/A	N/A	£150 + VAT	N/A	N/A

Type of alteration	Does leaseholder require permission?	Council Consent Letter?	Licence for Alterations	Deed of Variation	LBTH Client and THH Leasehold Services Charge?	Property Service Charge?	Legal Charge?
Carpets and floor coverings to be used to prevent footfall noise	No	No	N/A	N/A	N/A	N/A	N/A
Chimney breast — reduction/removal	Yes. Building Regs Consent also required — see also 'Reconfiguration' below	N/A	Yes	N/A	£200 + VAT	£500	£500
Conservatory (If landlord agrees, Planning Permission and Building Regulations Consent also required)	Yes	N/A	Yes	Yes probably	£200 + VAT	£500 – see note 2	£750

Type of alteration	Does leaseholder require permission?	Council Consent Letter?	Licence for Alterations	Deed of Variation	LBTH Client and THH Leasehold Services Charge?	Property Service Charge?	Legal Charge?
Doors — external (new/replacement) — please see note 2	Yes — please also see 'Windows' below	Yes – see note 2	N/A	N/A	Yes	N/A	N/A
Doors — internal	No	N/A	N/A	N/A	N/A	N/A	N/A
Doorway (internal) — creation of a new opening	Yes	N/A	Yes	N/A	N/A	N/A	N/A
Doorway (external) — creation of a new opening— Planning Permission required	Yes (but generally not permitted)	N/A	Yes	Yes	£200 + VAT	£500 – see note 2	£750

Type of alteration	Does leaseholder require permission?	Council Consent Letter?	Licence for Alterations	Deed of Variation	LBTH Client and THH Leasehold Services Charge?	Property Service Charge?	Legal Charge ?
Electrics — new fitting (e.g. additional wall socket)	Yes and NICEIEC 1 Yes Certificate required	Yes	Yes, if major	N/A	£200 + VAT	N/A	N/A
Electrics — replacement fittings	Yes and NICEIEC Certificate required	Yes	N/A	N/A	N/A	N/A	N/A
Extension (If Council agrees, Planning Permission and Building Regulations Consent also required)	Yes, but not permitted under terms of lease. Each case dealt with on its merits but agreement unlikely if application is in a flat or block.	N/A	Yes	Yes	£200 + VAT	£500 see note 2	£750

Type of alteration	Does leaseholder require permission?	Council Consent Letter?	Licence for Alterations	Deed of Variation	LBTH Client and THH Leasehold Services Charge?	Property Service Charge?	Legal Charge?
Exterior — security cameras, burglar alarm boxes, external signage and lighting	Yes, if in a House or Maisonette Yes, in a Block or flat-Landlord responsibility	Yes, but depends on nature of proposal	N/A	N/A	£150 + VAT	N/A	N/A
Exterior brickwork — any change, but see also 'Boiler' above for new vent	Yes but not usually permitted under the terms of the lease	N/A	Yes	N/A	£200 + VAT	£500	£750
Fences — must not be more than one metre (39 inches) in height	Yes	Yes	N/A	N/A	N/A	N/A	N/A

Type of alteration	Does leaseholder require permission?	Council Consent Letter?	Licence for Alterations	Deed of Variation	LBTH Client and THH Leasehold Services Charge?	Property Service Charge?	Legal Charge?
Fireplace — new or opening one that has been sealed — not generally permissible	Yes	N/A	N/A	N/A	N/A	N/A	N/A
Flooring — laminate/ wooden	Yes, must provide proof of the use of a suitable underlay to reduce impact noise	Yes	N/A	N/A	N/A	N/A	N/A
Flooring — installation of timber/stone or other form of solid floor	Yes	N/A	Yes	N/A	£150 + VAT	N/A	N/A
Garden — any new structure (please note — it must not be used for	Yes, if within provisions set out in Appendix 1	N/A	Yes, but Deed of Variation may be required	N/A	£200 + VAT	£500 see notes to table	£750

parking vehicles, or storage)							
Type of alteration	Does leaseholder require permission?	Council Consent Letter?	Licence for Alterations	Deed of Variation	LBTH Client and THH Leasehold Services Charge?	Property Service Charge?	Legal Charge?
Heating system and air conditioning	Yes, if additional radiators, re-routing of pipe work and so on.	Yes	Yes for Air conditioning	N/A	£150 + VAT	N/A	N/A
Kitchen — new/replacement	Yes	Yes	N/A	N/A	N/A	N/A	N/A
Loft — any change must be licensed. Is the loft space part of the flat?	Yes but loft must be ' part of the flat under the lease	N/A	Yes, but Deed of Variation may be required	Yes	£200 + VAT	£500 see notes to the table	£750

Type of alteration	Does leaseholder require permission?	Council Consent Letter?	Licence for Alterations	Deed of Variation	LBTH Client and THH Leasehold Services Charge?	Property Service Charge?	Legal Charge?
Pipe work (including waste pipes)	Yes, if re-routing necessary	Yes	N/A	N/A	£150 + VAT	N/A	N/A
Plumbing – re-plumb the flat or install additional sink, WC and so on	Yes	Yes	Yes for new fitting	N/A	£150 - £200 + VAT	N/A	N/A
Reconfiguration of flat (change in layout/increase in number of bedrooms)	Yes	N/A	Yes	Yes	£200 + VAT	£500 see notes to the table	£750
Redecoration of the inside of the flat	No	No	N/A	N/A	N/A	N/A	N/A
Rewiring — electrical wiring	Yes, Electric certificate required	Yes	N/A	N/A	£150 + VAT	N/A	N/A
Roof — any changes (e.g. roof terrace, roof light,	Yes	N/A	Yes	N/A	£200 + VAT	£500 see notes to the table	£750

boiler vent,etc)							
Type of alteration	Does leaseholder require permission?	Council Consent Letter?	Licence for Alterations	Deed of Variation	LBTH Client and THH Leasehold Services Charge?	Property Service Charge?	Legal Charge?
Shed — new or replacement - considered case by the garden case	No	N/A	Yes	N/A	£150 + VAT	N/A	N/A
TV aerial or satellite dish (if landlord agrees. Planning permission generally required)	Permission can only be considered where there is no communal system	Yes	N/A	N/A	£150 + VAT	N/A	N/A
Walls – any changes to the position or the structure of internal walls	Yes, please also 'Reconfiguration' above	Yes	Yes	N/A	£150 to £200 + VAT	N/A	N/A

Type of alteration	Does leaseholder require permission?	Council Consent Letter?	Licence for Alterations	Deed of Variation	LBTH Client and THH Leasehold Services Charge?	Property Service Charge?	Legal Charge?
Window – like for like replacement of broken window glass	No	N/A	N/A	N/A	N/A	N/A	N/A
Windows – new/ replacement	Yes – please see also ‘Doors’ above	Yes	N/A	N/A	£200 + VAT	£500+ VAT	N/A

Notes to the table

- a. **Arrears:** The applicant must have no arrears outstanding, such as unpaid rent or service charges, Major Works, Decent Homes or Council Tax and so on or any other breach of the lease
- b. **Council consent Letter** — A letter issued. Required for minor internal alterations.
- c. **Licence for Alterations** — A formal legal document. Required for major internal/external alterations/additions
- d. **Deed of Variation** — A formal legal document required where there is a change in the demised premises in the lease. Required where additional land is purchased or the description of the property changes i.e. 1 bed flat to a 2 bed flat. This document is registered at the HM Land Registry.

Appendix 3

COUNCIL HOUSING AMENITY LAND DISPOSAL

1. Approaches from private individuals to buy council housing owned amenity land to benefit their *existing* residential property will be considered where:

- there is a broader community benefit to the disposal e.g. a rationalisation of small parcels of 'backland' open space, either rarely used or often misused; or
- there are management/financial issues for the Council e.g. the land is costly to maintain; or
- the applicant has extenuating circumstances e.g. there are health grounds in relation to the applicant and/or their family and the sale of the land would improve their quality of life and would not adversely affect the quality of life of others in the neighbourhood – (the applicant will need to provide evidence to support and justify the application to purchase.

2. **Is the land owned by the council?** Before applying to purchase land the applicant should check whether land is owned by the council by contacting the Housing Department.

3. **Sale price**

3.1 The Council is obliged by law to obtain the best price for any property, or parcel of land, which it sells.

3.2 The sale price is dependent on a number of factors. The price will be negotiated through the Council's consultant valuer. The applicant may seek own independent advice. Please let the council have the contact details of the appointed agent.

3.3 Even if one or more of the criteria in section 1 above apply, there may be other restrictions imposed on the land (such as restrictive covenants or planning policies) which result in the Council making a decision not to sell.

3.4 Where open space land is concerned, it may also be necessary for the proposals to be advertised and any objections considered.

3.5 Before any sale is approved, the Council's strategic priorities and planning policies will be considered and a recommendation to proceed will only be made if the sale has no adverse impact on the Council's priorities, policies etc.

4. **Fees and other charges**

4.1 Following the initial internal consultation process, should application progress to the next stage, before council can start work on your application, you will need to pay the consultant valuer's fee to offset the costs in processing your application e.g. inspection of the site, consideration of any restrictive covenants, council policies and historical background, valuation of the site and production of a report. Note - payment of the fee will not guarantee that the application is approved.

4.2 If the consultant valuer agrees to the disposal and the applicant wish to proceed, the council's legal fees shall be paid in advance of any legal work on the application.

4.4 Any costs associated with making an application to the Secretary of State for consent and where applicable, advertisement costs, shall be charged to the applicant.

4.5 Fees and other costs must be paid in advance and are non – refundable. If the sale proceeds, on the completion date, the applicant will also have to pay the agreed purchase price.

4.6 There are no exemptions to the payment of fees and ancillary costs. The applicant will be provided with an invoice detailing the payment method.

5. Open market sale

5.1 The Council is obliged by law to sell land for the best price reasonably obtainable. This means that in some cases if the consultant valuer considers that the land you have asked to purchase could be of interest to other parties or could be sold for development land, the Council must advertise it for sale on the open market. In such circumstances, you will be sent sales details once prepared and will be able to make an offer for the land along with any other interested party. Costs will be recovered from the eventual purchaser.

6. Right to Buy rules

6.1 The ‘right to buy’ rules only apply to Council house tenants who wish to purchase their Council house. These rules cannot be used to purchase additional parcels of land.

7. Legal advice

7.1 The Council’s Legal Services cannot provide the applicant with legal advice; an applicant is advised to seek independent legal advice.

8. Planning, building regulations and restrictive covenants

8.1 Planning consent may be required for change of use or development of the land, or for other matters such as fencing and boundary treatment. . It is likely that land not previously used for garden purposes, building extensions or parking etc. will need planning consent for a change of use. The applicant is responsible for finding out if planning consent is required. Therefore, although the applicant may be granted planning consent, this does **not guarantee** that application to purchase Council owned land will be approved by the Council (as landowner).

8.3 When carrying out work on buildings, there are two issues that need to be considered - whether planning permission is required and whether building regulations consent is required. Work on buildings requiring building regulations consent may also require planning permission. Similarly, applications requiring planning permission may also require building regulations consent. The applicant can do this by contacting the council’s Planning & Building Control Department.

8.4 Any decision by the council to sell the land to the applicant is separate from any decision by the council on your planning or full plan or building notice application. The applicant must not assume that planning permission or building

regulations consent will be granted automatically if for example the applicant is intending to change the use of the land. It is applicant's responsibility to check the planning status of the land and building regulations.

8.5 Planning and building control regulation fees are payable by the applicant and are in addition to the Council's consultant valuer's and Legal Services fees and other applicable costs charged under this Policy.

8.6 The council will disclose any restrictive covenants relating to the land you wish to purchase.

9. Complaints

9.1 There is no appeals procedure against a decision to refuse to sell you the land. However, if you feel that you have additional information, or justification to support your application that has not already been considered, or if you amend your application in some way, we may be able to process your application again, based on the new information. Please note that the council reserve the right to charge further fees.

9.2 If you consider that the Council has not followed its procedures, you may raise a complaint through the Council's Corporate Complaints Procedure details of which are on the Council's website www.towerhamlets.gov.uk. If you remain dissatisfied with the response, you may complain to the Local Government Ombudsman.

10. How to apply

10.1 The applicant completes an application form or writes to the council. The application must be accompanied by a sketch plan identifying the area of land the applicant wish to purchase. The applicant shall detail as much information as possible, including the approximate dimensions of the land.

10.2 On receipt of the application, the council will decide if it wishes to dispose of or keep the land/property requested to purchase. This involves an internal process of consultation with Council Officers before a decision is made, and before any negotiations can take place. If at this stage, if a decision is taken not to sell to the applicant the land/property, the applicant will be notified in writing, with reasons. If, following the initial internal consultation stage, the matter goes forward to the next stage; the consultant valuer will ask applicant to pay a non-refundable fee of £500 plus VAT before proceeding with any work on the application. The application will not be progressed until the consultant valuer's fees have been paid.

11. Consultant valuer's decision

11.1 Providing applicant meets the criteria referred to in section 1 above and the consultant valuer's fees are paid in advance, within three months of receipt of the consultant valuer's fee, the consultant valuer will:

- a. undertake any due diligence checks, inspect the site and value the
- b. land;

- c. write to the applicant or appointed agent, confirming whether the disposal is approved; and
- d. if approved, detail the terms for the disposal of the land and the price payable. If the timescale cannot be met, the consultant valuer will notify applicant.

11.2 If the disposal is approved by the consultant valuer, it is for the applicant to form a view on any restrictive covenants, the planning/building regulations position and the suitability of the land for your intended purposes. The applicant proceed at own risk.

11.3 If the disposal is not approved by the consultant valuer, the applicant will be notified of the decision in writing with reasons.

13. Land transfer process

13.1 The applicant's acceptance of the consultant valuer's terms and price payable for the land need to be confirmed in writing, addressed to the Head of Legal Services with payment in advance, of the Council's legal fees. The land transfer process will not be started, until the legal fees are paid. The Council's legal fees are in addition to any fees your solicitor may ask you to pay. The applicant's solicitor's fees are own responsibility.

13.2 The transfer documentation will be prepared by the council's Legal Services. Providing applicant has paid the council's legal fees, the date for completion of the sale will vary depending upon the complexity of the matter and the type of searches and enquiries that are made by you or on your behalf but the process may take up to approximately 3 months from the date you notify the council in writing, that you accept the terms and price to be paid for the land. If the require longer to process the transfer documentation, we will notify you.

13.4 The applicant will pay the purchase price on completion. Completion of the sale of the land ends the Council's involvement in the process. The applicant will however need to deal with land registry registration and (stamp duty land tax) post completion.