

**IN THE FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)**

Case ref: LON/00BJ/LSC/0286

In the Matter of: The Landlord and Tenant Act 1985; Section 27A

B E T W E E N:

**THE MAYOR AND BURGESSES OF THE
LONDON BOROUGH OF WANDSWORTH**

Applicant/ Landlord

and

**VARIOUS LEASEHOLDERS OF
100 HIGH-RISE RESIDENTIAL BLOCKS
IN THE LONDON BOROUGH OF WANDSWORTH**

Respondents/ Leaseholders

**APPENDIX [7 – Paper No. 17-269 – Report by Director of Housing &
Regeneration dated 06.09.17]**

**TO THE STATEMENT OF CASE
ON BEHALF OF
THE LONDON BROUGH OF WANDSWORTH**

WANDSWORTH BOROUGH COUNCILHOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
14TH SEPTEMBER 2017EXECUTIVE – 18TH SEPTEMBER 2017Report by the Director of Housing and Regeneration updating on fire safety arrangements in
Wandsworth Council's housing stock.SUMMARY

This report provides an update on the work the Department is undertaking since the fire at Grenfell Tower in the Royal Borough of Kensington and Chelsea to provide additional reassurance and enhance the safety of all of the residents of the Council's tower blocks. The Council has now committed to retro-fit sprinklers to all blocks ten storeys or higher. Further to testing of the cladding systems of Castlemaine and Sudbury House, the Council has also committed to re-clad these blocks. Whilst the procurement of these works is underway interim measures as set out by the Department for Communities and Local Government have been put in place at both blocks.

The Director of Resources comments that a £30 million Housing Revenue Account capital budget variation for 2017/18 was approved by the Executive in July 2017 to retro-fit sprinklers to all blocks ten storeys or higher and for the removal and replacement of cladding at both Castlemaine and Sudbury House. These cash flows will be revised as part of the Housing Revenue Account Business Plan based on the latest forecast expenditure profile of the required works.

The works to retro-fit sprinklers will be recoverable from leaseholders through service charges. The timing of the billing for sprinklers will be dependent on the timetable for installation. Extending the repayment period available to resident leaseholders to 48 months will have a cash flow impact on the Housing Revenue Account based on the interest the Council earns on its investment balances.

It is anticipated that retro-fitting sprinklers in high rise blocks in the Borough will result in a reduction in Buildings Insurance premium costs to the Council and subsequently to leaseholders.

GLOSSARY

ACM	-	Aluminium Composite Material
BRE	-	Building Research Establishment
DCLG	-	Department for Communities and Local Government
LFB	-	London Fire Brigade

Update on Fire Safety

RECOMMENDATIONS

1. The Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 3.
2. If the Housing and Regeneration Overview and Scrutiny Committee approve any views, comments or additional recommendations on this report these will be submitted to the Executive for consideration.
3. The Executive are recommended to approve: -
 - (a) the Council proceeding with the recladding of Sudbury House, SW18 (Southfields) and Castlemaine, SW11 (Latchmere);
 - (b) the Council embarking on a programme of retro fitting sprinkler systems to all residential units within Council housing blocks of ten storeys or more and that the cost of these works be recharged to leaseholders through their services charges; and
 - (c) with respect to the cost of the sprinkler systems, the existing repayment arrangements for resident leaseholders being extended from ten to 48 months.

INTRODUCTION

4. On 20th June 2017, the Housing and Regeneration Overview and Scrutiny Committee considered a report (Paper No. 17-239) by the Director of Housing and Regeneration on the fire at Grenfell Tower, North Kensington, on 14th June 2017 and the implications for the management of high rise blocks in Wandsworth's Council housing stock, with particular reference to fire safety. At that meeting, the Borough Fire Commander reiterated his view that the most certain way of preventing fatalities in high rise blocks was the installation of water sprinklers. This would be standard practice for any new block with a height exceeding 30 metres - in effect any block ten storeys or higher. Councillor Govindia, the Leader of the Council, confirms "After the dreadful tragedy in Kensington and Chelsea it is vital that we move decisively to do all we can to provide additional reassurance and enhance the safety for all of the residents in our high rise blocks whether they be council tenants, leaseholders or private renters by bringing the blocks up to the new build standards now required across the public and private sector and these proposals will do just that".
5. Further to this report, on 29th June 2017, the Finance and Corporate Resources Overview and Scrutiny Committee considered a report (Paper No. 17-243) by the Director of Housing and Regeneration to seek approval for the Council to fit water sprinklers to flats in existing blocks ten or more storeys high and to prepare an urgent procurement plan to re-clad Castlemaine and Sudbury House. The Committee agreed to support the following recommendations in Paper No. 17-243: -
 - (a) instruct the Director of Housing and Regeneration, in conjunction with the Director of Resources, to prepare an urgent procurement plan for the undertaking of the installation of a water sprinkler system to tenanted and leasehold units in all the Council's residential blocks that are ten or more storeys high and that the appointment of any consultants or contractors be authorised as a matter of urgency,

including the waiving of relevant provisions of the Council's Procurement Regulations as may be necessary in the circumstances, under the Standing Order No. 83(A) procedure;

- (b) instruct the Director of Housing and Regeneration, in conjunction with the Director of Resources, to prepare an urgent procurement plan for the undertaking of the recladding of Castlemaine and Sudbury House in as expeditious manner as is practicable and that the appointment of any consultants or contractors be authorised as a matter of urgency, including the waiving of relevant provisions of the Council's Procurement Regulations as may be necessary in the circumstances, under the Standing Order No. 83(A) procedure;
- (c) authorise the Director of Housing and Regeneration, in consultation with the Director of Resources, to recruit such additional temporary staff, including the use of agency staff or external consultants, as may be required to facilitate the actions in recommendations 3(a); and
- (d) approve positive Housing Revenue Account capital budget variations totalling £30 million in 2017/18 to undertake the above works, subject to approval by the Council, as described in paragraph 17.

DCLG UPDATE

- 6. Since the Grenfell Tower fire the Department for Communities and Local Government (DCLG) has established the Building Safety Programme to identify buildings which are of concern through a thorough checking and testing process. Immediately after the fire, a programme of testing began on aluminium composite material (ACM) on high rise residential buildings, which is one element of a wall cladding system.
- 7. Following advice from the Independent Expert Advisory Panel, the Building Research Establishment (BRE) undertook a further programme to test the cladding systems in their entirety. These latest tests simulate a tall building and allow experts to understand better how different types of cladding panels behave with different types of insulation in a fire. Each test involves building a nine-metre-high demonstration wall with a complete cladding system including cladding panels, insulation and cavity barriers. This is then subjected to a replica of a severe fire inside a flat as it spreads out of a window to see whether it meets the requirement to resist vertical fire spread. These tests have been completed and results are being collated.
- 8. Further to these tests on 28th July 2017 the Government announced that an independent review of building regulations and fire safety will commence. It will examine the regulatory system around the design, construction and on-going management of buildings in relation to fire safety as well as related compliance and enforcement issues.

Update on Fire Safety

ALUMINIUM COMPOSITE MATERIAL CLAD BLOCKS IN WANDSWORTH

9. The Council has two high rise blocks that have external ACM cladding - these blocks are Castlemaine, Culvert Road, SW11 (Latchmere) and Sudbury House, SW18 (Southfields). Works to install this cladding were undertaken in 2004 to 2006 and 2001 to 2003 respectively as part of wider estate renewal works. Both schemes are believed to have been compliant with the relevant Building Regulations at that time. Subsequently, both blocks have also had fires in individual flats and these fires were effectively contained and did not spread to other properties.
10. As requested by the DCLG, the Council submitted cladding panels to the BRE for testing; in common with the vast majority of other samples tested by the BRE, these panels have failed a stringent fire safety test. Subsequent to these tests, the London Fire Brigade (LFB) undertook a detailed fire safety examination of both blocks over the weekend of 24th/25th June 2017 and declared that they were satisfied there was no undue risk to the residents and no reason for them to move out. Residents were informed of the LFB's decision by letter. However, on the instruction of the DCLG, the Council will need to replace the over-cladding systems on both blocks.
11. A consultant, Brodie, Plant and Goddard, has been appointed to oversee the procurement of the re-cladding works for both blocks. Good progress has been made to date and, subject to supply and labour issues, it is hoped that works can commence early in 2018, lasting approximately 36 months. Residents will be kept fully informed of developments and consulted over the appearance of the new cladding system.
12. Since 23rd June 2017, the Council has put in place additional fire safety measures as set out by the DCLG to ensure that Sudbury House and Castlemaine are kept as safe as possible until the cladding has been replaced. These include: -
 - (a) the establishment of a round the clock fire warden presence in the block that will remain in place until the cladding has been removed. These officers patrol the block every 6 hours checking that all areas are free from combustible material, that fire doors are all working and that corridors and stairs are clear of obstruction;
 - (b) a home visit to every property to ensure that working smoke alarms are in place, that the front entrance doors are of the required standard and that all residents are clear as to what to do in the event of a fire; and
 - (c) regular surgeries held for residents to speak to a member of staff about fire safety concerns.
13. In addition to this, a special edition of the Homelife newsletter covering fire safety was delivered to all residents in July.

SPRINKLER SYSTEMS

14. National, London and local fire services have identified the benefits of sprinkler systems in dwellings. The Building Regulations 2010 (as amended) state “sprinkler systems installed in dwelling houses can reduce the risk to life and significantly reduce the degree of damage caused by fire”. The LFB also supports the use of sprinkler systems stating that they can be effective in suppressing fires quickly and can reduce death and injury from fire. The LFB has produced comprehensive advice on the benefits of sprinkler systems in residential units.¹
15. It is clear that the installation of water sprinklers would give a level of re-assurance to tenants and leaseholders. Work has begun on a feasibility study on the options for sprinkler systems so that a programme of works can be drawn up and prioritised to individual properties in blocks of ten storeys and over² and meetings will be taking place with relevant organisations including the LFB and the relevant trade association. This will effectively bring these blocks up to the standard required by building regulations in all new build accommodation over 30 metres high³. The cost of this work is estimated at £24 million and a budget variation has been approved to cover this work. The Director of Housing and Regeneration has written formerly to the DCLG to establish what funding provision will be made available to councils for the retro-fitting of sprinklers. This funding would be used to offset the contribution from the Housing Revenue Account in relation to tenanted units and the costs leaseholders will incur.
16. It is recommended that the Council undertake the retro-fitting of sprinklers to all tenanted and leasehold units in blocks of ten storeys or more. The standard Wandsworth right to buy lease contains a provision which enables the Council “to do such things as the Council may decide are necessary to ensure the efficient maintenance, administration or security of the Block”. Legal advice has been received that the cost of these works would be recoverable from leaseholders by way of service charges and the sprinkler systems would be maintained by the Council. Of the 6,401 properties that would benefit from the installation, 2,358 are leasehold. There are 1,315 resident leaseholders and 1,043 leaseholders living away from their property.
17. As these costs (approximately £3,000 to £4,000) will be imposed upon leaseholders with relatively short notice, it is recommended that, with respect to the cost of the sprinkler systems only, existing repayment arrangements for resident leaseholders be extended from ten months to 48 months. An extension beyond 48 months may draw criticism from other leaseholders facing relatively substantial bills for major works, for example in 2015/16 1,231 leaseholders were billed for major works charges in excess of £3,000.
18. The Council operates a service charge relief scheme in cases of hardship, with the Director of Resources having delegated authority to grant financial relief on a case by case basis, which could be accessed by a leaseholder with genuine difficulty in meeting the additional costs. This could be through offering extended payment terms to qualifying leaseholders or through a reduction in the overall amount billed as approved in Paper No.15-422.

¹ http://www.london-fire.gov.uk/Documents/think_sprinkler_leaflet.pdf

² Wandsworth Council has 99 blocks of ten storeys or more containing 6,401 residential flats and maisonettes – 4,043 tenanted, 1,315 resident leaseholders and 1,043 away leaseholders

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/441669/BR_PDF_AD_B2_2013.pdf - Approved Document B (Fire Safety) Point 8.14

Update on Fire Safety

COMMENTS OF THE HEAD OF LEGAL SERVICES (SOUTH LONDON LEGAL PARTNERSHIP)

19. The standard Wandsworth right to buy lease gives the Council the right “to do such things as the Council may decide are necessary to ensure the efficient maintenance administration or security of the Block” and it is considered that this provision enables the Council to retro-fit sprinklers in individual leasehold flats. ‘Security’ in this context includes safety, which properly and reasonably includes facilities and equipment to fight and prevent the spread of fire.
20. The lease also provides that the cost of works carried out in fulfilment of the Council’s obligations are recoverable from leaseholders by way of service charges. The Social Landlords Discretionary Reduction of Service Charges (England) Directions 2014 give the Council discretion to waive or reduce service charges by such amount as it considers reasonable, having taken account of the criteria set out in the Direction, which include exceptional hardship.

COMMENTS OF THE DIRECTOR OF RESOURCES

21. The Director of Resources comments that a £30 million Housing Revenue Account capital budget variation for 2017/18 was approved by the Executive in July 2017 (Paper No. 17-243) to retro-fit sprinklers to all blocks ten storeys or higher (£24 million) and for the removal and replacement of cladding at both Castlemaine and Sudbury House (£4 million). These cash flows will be revised as part of the Housing Revenue Account Business Plan Update (Paper No. 17-270) elsewhere on this agenda, to reflect the current expenditure profile of the required works.
22. The works to retro-fit sprinklers will be recoverable from leaseholders through service charges. The timing of the billing for sprinklers will be dependent on the timetable for installation. Extending the repayment period available to resident leaseholders to 48 months will have a cash flow impact on the Housing Revenue Account based on the interest the Council earns on its investment balances. The actual cost of this can only be estimated once the number of leaseholders taking advantage of the extended repayment period is known.
23. The DCLG have indicated that Government funding may be available to assist councils meeting the cost of retro-fitting sprinklers. The Council will continue to liaise with the DCLG on this matter at officer and member level to secure the maximum funding contribution available.
24. It is anticipated that retro-fitting sprinklers in high rise blocks in the Borough will result in a reduction in Buildings Insurance premium costs to the Council and subsequently to leaseholders. It is not known at this time whether this will have the same effect on Home Contents Insurance costs, or whether this would make it easier for residents in high rise blocks to obtain Home Contents Insurance cover if the property has sprinklers, as the Council has no involvement in arranging Home Contents Insurance for Council tenants and leaseholders.

CONCLUSION

25. If the Executive approves the recommendations in this report, the Director of Housing and Regeneration will progress the procurement of a contractor to re-clad Castlemaine and Sudbury House and will review options for sprinkler systems and draw up a programme of works. Further reports will be submitted as the fire investigation and public inquiry proceed.

The Town Hall,
Wandsworth,
SW18 2PU.

BRIAN REILLY
Director of Housing and Regeneration

6th September 2017

Background Papers

There are no background papers to this report.
All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the committee secretary (Thayyiba Shaah –, 020 8871 6039; email tshaah@wandsworth.gov.uk) can supply if required.

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