

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2774

Title: Waking Watch Relief Fund

Executive Summary:

On 17 December 2020, the Government committed £30m to the nationwide Waking Watch Relief Fund (WWRF) to pay for the costs of installing a common fire alarm system in eligible residential buildings with unsafe cladding systems. The Greater London Authority (GLA) will be administering this fund for eligible private buildings in London. All substantive decisions regarding the scope and design of the fund and approval of applications will be carried out by the Ministry for Housing, Communities and Local Government (MHCLG).

This decision seeks approval for the GLA to receive and spend the London element of the fund, estimated to be £16.1m from 2021/22. The GLA will receive funds from MHCLG equal to the total expenditure such that there is no net cost to the GLA. This decision delegates authority to the Executive Director for Housing and Land to agree on the operational details of the fund.

Decision:

That the Mayor:

1. approves receipt of the London element of the WWRF by the GLA from MHCLG to fully cover all capital grants awarded and revenue costs incurred by the GLA that are associated with delivering the fund in London;
2. approves expenditure of the London element of the WWRF, estimated to be £16.1m, starting from 2021/22. The funding will be given as a capital grant to private sector entities responsible for putting in place interim fire safety measures such as waking watch and fire alarms in respect of eligible residential buildings in London;
3. delegates authority to the Executive Director for Housing and Land to agree on operational details through a memorandum of understanding (MOU) between the GLA and MHCLG without the further need for a decision form; and
4. delegates authority to the Executive Director for Housing and Land to take decisions on revenue expenditure, including if necessary procurement of external legal and technical advisors and any necessary additional staffing, without the further need for a decision form (on the basis that there is no net cost to the GLA).

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

8/3/21

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. On 14 June 2017, the Grenfell Tower tragedy resulted in the loss of 72 lives in London. Investigations have revealed one of the significant contributing factors in the rapid-fire spread was the unsafe combustible materials used within the building's cladding system. Since June 2017, the use of unsafe combustible materials in tower blocks has been found to be widespread across London and the rest of England.
- 1.2. The Government has put £1.6bn in place to improve fire safety in residential buildings 18 metres or over, owned by private and social sector entities, by remediating unsafe external wall systems. The GLA is already administering these cladding remediation funding programmes in London. On 10 February 2021, the Secretary of State for Housing, Communities and Local Government announced a further £3.5bn funding for cladding remediation work for residential buildings over 18 metres.
- 1.3. Prior to remediation being carried out, many buildings with unsafe cladding are not suited to a 'stay put' evacuation strategy, and a fire alert is necessary to improve residents' safety by supporting simultaneous evacuation (see the National Fire Chiefs Council (NFCC) Simultaneous Evacuation Guidance¹ from October 2020). The guidance recommends that common fire alarms should be installed by the building owners in residential buildings where cladding remediation cannot be undertaken in the short term. This is meant to reduce or remove the dependence on 'waking watch' – 24-hour fire wardens.
- 1.4. The cost of interim safety measures, including waking watch, are in most cases passed onto individual leaseholders through their service charge. The Mayor and many others have called on the Government to provide funding for these costs to protect leaseholders. It should be noted a data research exercise carried out by the Ministry for Housing, Communities and Local Government (MHCLG) in 2020 concluded that average monthly Waking Watch costs in London are higher than in the rest of the country.
- 1.5. On 17 December 2020, the Government announced £30m for the new Waking Watch Relief Fund (WWRF) to pay for the costs of installing a common fire alarm system in high-rise residential buildings with unsafe cladding systems with the intention that this replaces or reduces the need for waking watch.
- 1.6. MHCLG will administer the applications received from the social sector buildings, while designating several Local and Regional Authorities to deliver the fund to eligible private sector buildings located in their area. From the total funding made available by the Government, £16.1m has been ringfenced for eligible buildings in London. Given MHCLG research suggests that each fire alarm system costs approximately £100k, a sum of £16.1m could fund at least 160 common fire alarm systems.
- 1.7. Administration of the WWRF in London will be significantly more complex and resource intensive than in other areas of the country. By way of contrast, Liverpool has been allocated just £500,000 which will fund approximately five buildings.
- 1.8. The 'Responsible Person' (the building owner) will be the relevant applicant for the funding, and will need to confirm their building meets the eligibility criteria set by the government in the fund application guidance². Meanwhile, they must keep leaseholders constantly informed about application progress.

¹ <https://www.nationalfirechiefs.org.uk/Simultaneous-evacuation-guidance>

² <https://www.gov.uk/guidance/waking-watch-relief-fund>

- 1.9. As with the cladding remediation funding programmes, the Government will retain the overall oversight, responsibility, and accountability for the fund, while the GLA's role will be solely administrative. All substantive decisions regarding the Fund design and application approvals will be taken by MHCLG – this includes deciding how to allocate funding where it is insufficient to fund all eligible London buildings. The GLA will support the delivery of WWRF in London, including resource planning and engagement with key London stakeholders such as the London Boroughs and London Fire Brigade.
- 1.10. Both MHCLG and the GLA are committed to agreeing a Memorandum of Understanding (MOU), to set the scope, roles, and responsibilities for both parties during the delivery of WWRF. All revenue costs incurred by the GLA, as the delivery partner, have been agreed in principle and will be reimbursed by MHCLG. These costs include staffing, GLA Open Project System (OPS) application development, and specialist advisors.

2. Objectives and expected outcomes

- 2.1. The WWRF will fund reasonable costs to support the installation of an alarm system in residential buildings over 18 metres in height (with 30cm tolerance), with an unsafe external wall system and an existing waking watch, and where the costs have been passed on to the leaseholders.
- 2.2. The intervention through this fund is seen as a short-term solution, to mitigate immediate fire safety risk and provide financial support which should benefit the leaseholders impacted by high costs for interim fire safety measures. It is not intended to be a substitute for remediation where buildings have unsafe cladding, nor to replace the responsibility for fire safety of buildings that will remain with the 'Responsible Person'.

3. Equality comments

- 3.1. The GLA is required, in the exercise of its functions, to have due regard to the need to:
 - a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Equality Act 2010;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. This decision will have a positive impact on all residents and leaseholders of eligible high-rise buildings in London where funding is allocated. It will reduce the health and safety risk of fire for residents in the short term, pending remediation of the unsafe cladding.

4. Other considerations

Risks and issues

- 4.1. The following risk and issues have been identified at this stage, with a mitigation strategy to reduce/eliminate impact:

Risk	Mitigation	RAG
Lack of capacity within the existing Building Safety team to deliver this fund for London	The GLA is working to recruit a new team of five officers who will be fully dedicated to administering the Waking Watch Relief Fund in London. This will not generate any new costs for the GLA. Revenue funding has been formally agreed with the government and will cover the GLA's administrative costs for nine months, after which, this will be reviewed with MHCLG. Considering the before mentioned timeline, alternatives such as internal redeployment will be considered to avoid the timelines for traditional recruitment. While carrying out the recruitment process, the tasks to set up the new fund will be covered by the existing GLA Building Safety Team and other interim redeployments from within Housing and Land.	High
Insufficient time to configure GLA OPS for Waking Watch Relief Fund applications	The new Waking Watch Relief Fund application will be administered through the GLA OPS portal. Officers in the Building Safety Team are working with MHCLG to agree the template and GLA OPS technical team to develop a new programme for a formal launch before 22 March 2021. Other Housing and Land OPS work has been reprioritised to ensure WWRF can be delivered.	Medium
Legal advisers required to deliver this programme for London are not appointed in time for the launch	Legal advice is needed to support the GLA team while assessing applications and contracting with applicants. To mitigate the risk of delays, the GLA will make use of existing frameworks of legal providers.	Low
There is a risk the programme does not comply with the new subsidy control regime	While the Government is still consulting on designing the UK's approach to subsidy control, it is anticipated the amount of grant provided to each beneficiary in the WWRF will be below the de minimis threshold set out in the EU-UK Trade and Co-operation Agreement. The GLA has also sought assurances from central Government regarding the applicability of the new subsidy control regime to this programme.	Medium
The timeframe for spending the allocated funds in London is extremely challenging	MHCLG intends to spend all WWRF capital funding in 2021/22, including the £16.1m budget allocated for London. Experience gained from managing the cladding remediation funds demonstrates that the 'Responsible Person' often delays in submitting a funding application and providing the requested evidence. It is common to experience protracted negotiations over the funding agreement. Also, a delayed London launch at mid-March 2021, compared to the rest of England, will clearly impact the spending deadline. Therefore, a realistic spending deadline for London will be agreed with MHCLG, and included in scope of the MOU.	Low
Allocated funds will not suffice to cover all the London requests	It is expected that the £16.1m funding allocation will not be enough to cover all eligible buildings in London. The GLA has already made it a condition of its involvement that MHCLG set the assessment criteria and framework to decide on which buildings represent a priority for receiving this funding.	Medium

Issues	Mitigation	RAG
Delays in agreeing terms with the Government for the GLA to act as a delivery partner in London for the Waking Watch Relief Fund have created challenges mobilising in time for the funding applications	MHCLG formally announced the opening for applications for eligible private sector buildings outside Greater London on 31 January 2021. To reduce the impact of this issue, and ensure that the fund is implemented as soon as possible, the GLA has deployed existing resources to work with the Government to agree all the details required to facilitate launch of the programme in London by 22 March 2021.	Low

Links to Mayoral strategies and priorities

- 4.2. Chapter 5 of the London Housing Strategy highlights that many high-rise blocks across London are fitted with dangerous cladding and must be made safe. The Strategy notes: *Whatever the legal position, the Mayor believes it is morally wrong that the leaseholders of individual flats should be forced to pay substantial costs where safety issues have arisen through no fault of their own.* The WWRF will help to ensure some leaseholders are protected from the ongoing costs associated with waking watch in their building.
- 4.3. The Mayor has repeatedly written to the Secretary of State for Housing, Communities and Local Government calling for the Government to fully fund the cost of interim safety measures, including waking watch. WWRF will go some way to removing or reducing the need for waking watches once common fire alarm systems are in place.

Impact assessments and consultations

- 4.4. The GLA has engaged with London Boroughs, London Fire Brigade, and MHCLG in relation to the WWRF. It is not considered it necessary or appropriate to consult any other persons or bodies including those specified in section 32(1) of the Greater London Authority Act 1999.

Conflicts of interest

- 4.5. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. The decision is seeking approval for GLA to administer MHCLG Waking Watch programme. The programme is for the installation of alarm systems in residential buildings over 18 metres in height that have unsafe cladding. The programme will be funded from the MHCLG's Waking Watch Relief Fund.
- 5.2. MHCLG has retained responsibility and accountability for the fund, while GLA role will be administering the Waking Watch Relief Fund's budget of £16.1m during 2021-22.
- 5.3. The cost of the alarm system, installation and associated Revenue expenditure would be funded from the MHCLG's Waking Watch Relief Fund. All costs incurred in delivering the programme would be reimbursed by MHCLG and no funding would be required from the GLA's financial resources.

6. Legal comments

- 6.1. The GLA is empowered to receive funding from MHCLG and provide grant funding to those responsible for private sector residential buildings in London to fund the installation of common fire alarm systems in residential tower blocks under sections 30(1) and 34 of the Greater London Authority Act 1999 (the GLA Act), provided the Mayor considers that doing this will further one or more the GLA's principal purposes of: promoting economic and social development in Greater London, and improving the environment in Greater London. It is open to the Mayor to take the view that the provision of funding to install fire alarms in high-rise residential buildings in London helps create safe places to live and reduces risk to life, which is arguably important for the wellbeing of the individuals living in those buildings (promoting social development) and/or improves the environment.
- 6.2. In determining whether or how to exercise the power conferred by section 30(1) of the GLA Act, the Mayor must:
 - have regard to the effect that these decisions will have on the health of persons in Greater London, health inequalities between persons living in Greater London, the achievement of sustainable development in the United Kingdom and climate change and its consequences (sections 30(3-5) of the GLA Act); and
 - pay due regard to the principle that there should be equality of opportunity for all people (section 33 of the GLA Act).
- 6.3. In this respect the Mayor should have regard to section 3 above.
- 6.4. In addition to the above, where the Mayor is proposing to use the power conferred in section 30(1) of the GLA Act, the Mayor must consider consulting in accordance with section 32 of the GLA Act. This is addressed at paragraph 4.4 above.
- 6.5. Officers have indicated that this project amounts to the provision of grant funding and not payment for services. Officers must ensure that:
 - no reliance is placed upon MHCLG funding until a legally binding commitment is secured from MHCLG in this regard and the GLA is able to comply fully with any conditions applicable to the provision of such funding;
 - the funding is distributed fairly, transparently in accordance with the GLA's equalities duties, and in a manner which affords value for money in accordance with the GLA's Contracts and Funding Code; and
 - appropriate funding agreements are put in place between and executed by the GLA and successful applicants before any commitment to fund.
- 6.6. In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty; namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.7. Further legal comments are set out in part 2 to this report.

7. Planned delivery approach and next steps

- 7.1. The WWRF applications for the London buildings will be received and managed through GLA OPS; officers are working on developing the technical features in OPS required to support the delivery of

this fund (from receiving applications, to reporting and making payments). Given OPS set-up will not require development work, the cost will be limited to staff time and is unlikely to exceed £50,000. This cost will be covered by MHCLG.

- 7.2. The GLA is required to hire additional staff to manage the programme. The staffing costs will be covered from the revenue funding provided by MHCLG and will not bring any additional costs to the GLA.
- 7.3. Professional legal and technical advisors may be appointed by the GLA depending on the detailed design of the programme. If required, the costs for this will be covered by the revenue agreed with MHCLG and will not incur any additional costs for the GLA.
- 7.4. The Executive Director for Housing and Land will agree an Memorandum of Understanding with MHCLG on the operational details of this fund. The Executive Director for Housing and Land will also agree, receive and spend revenue funding from MHCLG to support programme delivery.
- 7.5. The Executive Director for Housing and Land will exercise delegated authority without reference to further decision forms (i.e. Director Decision Forms), but a record in writing will be kept of details of expenditure and associated approvals. The GLA's role in this fund is administrative and all substantive decision-making will be taken by the Government, as such the delegated authority will involve minimal discretion.
- 7.6. Approval of applications will be carried out by MHCLG. Once approval is granted, under the GLA's general delegation, the Executive Director for Housing and Land will take decisions on proceeding to contract and will keep a record of individual grant allocations.

Activity	Timeline
Government's funding prospectus released, and formal launch for England (except London)	31 January 2021
GLA OPS open for London applications	March 2021
Indicative end of the programme (subject to review with MHCLG)	November 2021

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Until what date: (a date is required if deferring)

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – YES

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Alina Suteu has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Rickardo Hyatt has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Tom Copley has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 1 March 2021.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

D. Gane

Date

2 March 2021

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor

Signature

D. Bellamy

Date

1 March 2021