



Author/Lead Officer of Report: Catherine Hughes, Service Manager Private Housing Standards

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Report of: *Janet Sharpe, Director of Housing and Neighbourhood Services*

Report to: *Councillor Paul Wood, Cabinet Member for Neighbourhoods and Community Safety*

Date of Decision: *15th March 2021*

Subject: *Administration of the Waking Watch Relief Fund*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Neighbourhoods and Community Safety</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>Safer and Stronger Communities</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(912)</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>		

Purpose of Report:

On the 22nd of December 2020 the Government announced the creation of a £30m Waking Watch Relief Fund to pay for the costs of installing an alarm system in buildings with unsafe cladding. The alarm systems will enable costly Waking Watch measures to be replaced in buildings waiting to have unsafe cladding removed.

Sheffield were asked to administer the funding on behalf of the Ministry of Communities and Local Government and an allocation of up to £1m was approved for the city.

This report seeks authorisation to accept up to £1m Waking Watch Relief Fund and to delegate the decision to approve funding to applicants to those Officers detailed in the recommendations.

Recommendations:

It is recommended that the Cabinet Member for Neighbourhoods and Community Safety:

- 1) Approves the Council accepting up to £1m from the Ministry of Housing, Communities and Local Government (MHCLG) from the Waking Watch Relief Fund and the New Burdens (Administration) Grant of £31k.*
- 2) Approves the Council entering into a Memorandum of Understanding with the MHCLG for the Waking Watch Relief Fund as outlined further in the report.*
- 3) Notes and agrees in principal the Council making payments of grants to successful third-party applicants in line with the eligibility criteria provided by MHCLG as detailed further in the report.*
- 4) Delegates authority to the Director of Housing and Neighbourhood Services in consultation with the Director of Legal Services and the Director of Finance and Commercial Services to approve applications to this fund, enter into grant agreements and make grant payments to successful third-party applicants up to the Council's allocation of up to £1m.*
- 5) To the extent not already delegated to them by the Leader's Scheme of Delegation, delegates authority to the Director of Housing and Neighbourhood Services, in consultation with the Director of Legal Services and the Director of Finance and Commercial Services, to take any other decisions necessary in order to meet the aims and objectives of the report.*

Background Papers:*(Insert details of any background papers used in the compilation of the report.)*

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>(M.Wassell)</i>
	Legal: <i>Gemma Day</i>
	Equalities: <i>Louise Nunn</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: <i>Michael Crofts</i>
3	Cabinet Member consulted: <i>Paul Wood</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: Catherine Hughes
	Job Title: Service Manager Private Housing Standards
Date: <i>24/02/2021</i>	

1. PROPOSAL

1.1 On the 17th December 2020 the government announced a £30 million fund to help end the scandal of excessive Waking Watch costs, as part of a further move to support thousands of residents in high-rise buildings.

The Ministry of Housing, Communities and Local Government has made an allocation of up to £1m to Sheffield along with a New Burdens Grant of £31k so that we can administer the funding directly to those blocks that meet the criteria as set out by the Ministry of Housing and Local Government.

The buildings eligible to apply must:

- be over 17.7 metres in height when measured accordance with the Waking Watch Relief Prospectus
- be a residential building
- have a Waking Watch in place which has been identified and agreed by either a Competent person (as described in part 2 of the Simultaneous Evacuation guidance)
- or via FRS intervention to support a move to a simultaneous evacuation fire safety strategy and where unsafe cladding is present on the building, and where, as a result of the lease agreement, Waking Watch costs are being passed on to leaseholders

All applications will be checked to ensure they meet the eligibility criteria and that the costs are reasonable. A risk-based approach will be taken when approving the funding to ensure the best use of this funding.

The new fund will pay for the installation of fire alarm systems in high-rise buildings with cladding, removing or reducing the need for costly interim safety measures such as Waking Watch.

The fund will cover the reasonable upfront capital costs of installing an alarm system. The common fire alarm system should be designed in accordance with the recommendations of BS 5839-1 for a Category L5 system. Any fire detection and fire alarm system should be designed, installed and commissioned by an appropriately qualified, third-party accredited competent person/s. This alarm system is in accordance with the standards referred to in the Simultaneous Evacuation guidance published in October 2020.

The National Fire Chiefs Council have been clear in recent guidance that building owners should move to install common fire alarm systems as quickly as possible to reduce or remove dependence on Waking Watch.

Some buildings have already installed these systems due to the significant savings this offers, with leaseholders in those buildings, who on average were paying £137 per month for a Waking Watch, expected to collectively save over £3 million per month nationally.

This report seeks permission to administrate this funding so that we can support building managers / owners to carry out works to ensure the safety of residents and to relieve financial burden from leaseholders and ensure that they live in safe accommodation.

2. HOW DOES THIS DECISION CONTRIBUTE ?

2.1 Sheffield is clear that it wants to support leaseholders and to work with building managers and agents to improve fire safety in high risk, high rise blocks across the city in this difficult situation and the Government, through this funding aims to provide financial support and deliver a better long term safety system in these buildings.

The installation of the fire alarm systems will help to increase the safety in high rise, high risk blocks across the city but there could still be other fire safety works that need to be carried out which will remain the responsibility of the Responsible Person.

Blocks that have Waking Watch have this in place usually do this as mitigation and to avoid enforcement measures such as prohibition orders being served which result in all occupants having to leave their homes. This adds more pressure to the already stretched Homeless service who have to provide emergency accommodation and already have c.200 households in hotels already.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 This is a Government funding stream which we are being tasked to administer in Sheffield.

Extensive consultation has been undertaken by Central Government and this is the 3rd funding scheme announced to help address the issues in the private sector relating to unsafe cladding

on high risk, high rise blocks.

It was announced by central Government in December and it opened for applications on the 1st February.

As a Local Authority we have created a web page for applicants which provides details of the scheme and sets out the eligibility criteria, who can apply and how.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 An EIA has been produced and approved, reference 912.

4.2 Financial and Commercial Implications

4.2.1 Section 31: Waking Watch Fund Grant (up to £1,000,000)

Key features (not exclusive) of the MHCLG Memorandum of Understanding (MoU) with SCC are summarised below. The Grant Manager responsible for the project will need to read, understand and comply with all of the MoU requirements.

- The MoU is not legally binding/all parties are committed to honouring it.
- The MoU covers monitoring, accountability, governance structures and finances and may need to be updated for future changes.
- MHCLG prospectus/application to be used re: eligibility, evidence etc.
- Additional New burdens funding of £31k is to support SCC's project administration and is anticipated to be unconditional.
- SCC is responsible for processing applications and ensuring works are completed satisfactorily.
- If installation costs exceed £1,500 per dwelling MHCLG to be informed and if costs are not reasonable funding may not be provided
- Responsibility for building fire safety is always the Responsible Person
- Funding provision does not mean that MHCLG/any other party assumes responsibility for the fire safety of any building where an alarm is fitted.
- SCC has no responsibility/involvement in procuring works
- SCC responsible for a fair/transparent application process and ensuring resources to administer the scheme.
- SCC to make timely funding decisions/payments using criteria/evidence (as per fund prospectus.)
- Ensure evidence of alarm installations meeting required specifications

- Ensure costs are reasonable/ VFM and within the funding envelope.
- Inform MHCLG of any grant underspend.
- SCC to provide regular monitoring information (as required by funder).
- Funding can only be used for the Waking Watch project
- Funding agreement to be signed by the relevant parties before payment (as per MHCLG funding agreement).
- If funding allocation is exceeded MHCLG cannot guarantee reimbursement.
- SCC is expected to pay up front capital costs for alarm installation.
- MHCLG to pay costs once SCC has met its spending limit and upon receiving a final report.
- SCC to assure MHCLG that grant is accounted for /only applied to activity agreed in the delivery plan

4.2.2 **MHCLG Funding Agreement Between SCC and WWF Applicant**

In addition to the MoU, MHCLG have produced a Funding Agreement to regulate the relationship between SCC and WWF applicants. Key features (not exclusive) of the agreement are summarised below and the Grant Manager will need to read, understand and comply with all of the terms and conditions:

- Building complies with criteria in the Waking Watch Fund Guidance.
- Project to provide a common alarm system to the building.

4.2.3 **Ineligible Costs (not exclusive)**

- Management /administration fees re: fire alarm installation.
- The operation of a Waking Watch
- Maintenance/repair of the fire alarm while it is in place,
- Removal of existing alarm system and/or the future conversion of the alarm system into an evacuation alert system.
- Employment of any residual fire warden/evacuation personnel deemed necessary after fire alarm installation.

4.2.4 **Other.**

- Grant offer effective from the date the Grant Recipient receives the Grant Funding Agreement and remains valid for 21 days from that date.
- Grant solely to fund (in whole/part) Permitted Activities
- Grant recipient to be responsible for any cost overruns or shortfalls.
- Grant Recipient to repay unspent monies unless permitted otherwise.
- Authority has no liability to the Grant Recipient for any losses

caused by a delay in the payment of the Funding.

- Grant Recipient will remain responsible for paying third parties. The Authority has no responsibility for paying third party invoices.
- Grant Recipient to ensure that cost of Permitted Activities is not recovered from any Leaseholder via Service Charge Provisions.

Funding may be clawed back from the Grant Recipient in a number of circumstances (not exclusive):

- Delivery of Permitted Activities does not start within 3 months of the Completed Grant Funding Agreement.
- Activities not completed within 6 months of the Authority's receipt of the Completed Grant Funding Agreement.
- Work to remediate unsafe cladding on the building is certified as completed before the installation of the fire alarm begins.
- The Authority accepts no liability for any consequences, direct or indirect, from the Grant Recipient delivering/running the Permitted Activities, the use of the Grant or from withdrawal, withholding or suspension of Grant.
- The Recipient to indemnify the Authority for all actions in relation to the Permitted Activities etc.

The Grant Manager will need to ensure that the requirements of both the MoU and the Funding Agreement are coordinated and adhered to in order to ensure compliance with the MHCLG's requirements.

4.3 Legal Implications

4.3.1 MHCLG are able to provide this funding to the Council using powers under Section 1 of the Infrastructure (Financial Assistance) Act 2012 and using Section 31 of the Local Government Act 2003.

The Council has a general power under Section 1 of the Localism Act 2011 to do anything that an individual may generally do provided it is not prohibited by other legislation and the power is exercised in accordance with the limitations specified in the Act which enables the Council to accept the funding and administer the fund on behalf of the MHCLG.

The Regulatory Reform (Fire Safety) Order 2005 is the legislation which details the fire safety standards required. By the Council supporting the MHCLG to administer this fund in Sheffield, they are assisting the Responsible Person of these eligible buildings to ensure that their building meets the safety standards required. The responsibility for the fire safety of a building always remains with the Responsible Person under the duties conferred on them by the above order.

If a decision is made to accept the funding a memorandum of understanding (MoU) will be entered in to with the MHCLG. The MoU details the Council role in administering the fund, this includes but is not limited to administering the application and funding process, checking evidence, ensuring costs represent value for money, providing funding to eligible applicants, providing key data and management information to MHCLG.

Where installation costs exceed a threshold of £1,500 per dwelling the Council is required to refer the application to MHCLG. Where MHCLG deems the costs to not be reasonable the full costs may not be provided.

MHCLG agrees that the Council has no responsibility or involvement in procuring the works, in the alarm installation or in the maintenance of the alarm system or any issues or defects post installation. Full responsibility sits with the applicant.

The Council is required to incur the costs upfront and then report to MHCLG who will reimburse the costs in one payment.

The funding allocated as part of the Waking Watch Relief Fund should in no way be used to fund or support activities or provisions that would be deemed to be unlawful and should be used for this project only.

MHCLG have provided a template grant agreement to the Council to use in relation to the Waking Watch Relief Fund. This grant agreement will be between the Council and the recipient of the funding.

The grant agreement details how the funding should be used, payment terms, the standard of fire alarm required, each parties' obligations.

The grant recipient will be responsible for making any further payments necessary to cover any cost overruns or shortfalls incurred. The grant recipient is also responsible for paying any third-party invoices.

Any unspent funds must be returned to the Council unless permission is given by the Council and there is the ability to clawback or reduce funding.

The grant recipient must keep leaseholders regularly informed of progress.

Once the grant agreement is finalised, detail will be provided to the Director of Housing and Neighbourhood Services under the delegation in this report.

Officers administering the waking Watch Relief Fund must ensure that they are aware of and comply with the Councils obligations.

The Council must comply with all applicable legislation and regulations including but not limited to UK GDPR, the Data Protection Act 2018 and Subsidy Control.

4.4 Other Implications

4.4.1 *None.*

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 As this is Government funding there is no alternative proposal as the City Council can not use their own funds for this work.

6. REASONS FOR RECOMMENDATIONS

6.1 Fire safety is a high priority for the city and nationally. The approval to receive this funding and to delegate the approval on application to the Director of Housing will ensure that we can ensure application meet the criteria and take a risk-based approach to target the blocks that need this intervention. By funding the installation of appropriate fire alarms, we can ensure the immediate safety of occupants and to also remove the costly burden of Waking Watch from leaseholders.