

Mayor and Cabinet		
<b>Title</b>	ACM Cladding Remediation Fund Approval	
<b>Key decision</b>	Yes	
<b>Wards</b>	Telegraph Hill and New Cross	
<b>Contributor</b>	Executive Director for Customer Services	Item
<b>Class</b>	Part 1 (open)	12 December 2018

## 1 Purpose

- 1.1 This report asks Mayor and Cabinet for approval to enter into an agreement with the Greater London Authority to receive money from the Government Cladding Remediation Fund to cover the costs of removing and replacing ACM cladding on three blocks owned by Lewisham Council

## 2 Recommendations

- 2.1 It is recommended that Mayor and Cabinet:

- Approve the application that has been made to the Social Sector ACM Cladding Remediation Fund and note the award of £8,999,975 as detailed in this report
- Note the process for adjustments to the final amount as detailed in paragraph 3.6 and 5.2
- Delegate authority to the Executive Director for Resources & Regeneration, in consultation with the Head of Law, to agree the terms of and enter into the related funding agreement with the GLA.

## 3 Background and context

- 3.1 Following the tragic events at Grenfell Tower in June 2017, an extensive testing regime of external cladding on tall buildings was undertaken, led by the Ministry of Housing Communities and Local Government (MHCLG).
- 3.2 As documented in past Mayor and Cabinet reports, three Lewisham Council owned buildings were clad in ACM cladding that failed the safety tests. These are Hatfield Close 1-48, Hatfield Close 49-96 and Gerrard House, in the New Cross area.
- 3.3 Lewisham Homes appointed a contractor and successfully removed all defective cladding by the end of 2017. The removal of the cladding revealed additional works that were required to the buildings, which continued into 2018. Re-cladding of the buildings is due to commence in 2019, following planning approval.
- 3.4 In July 2018 MHCLG announced that the Government would provide funding via the 'Social Sector ACM Cladding Remediation Fund.' A condition on the funding was that the materials used to re-clad the buildings were of A1 or A2 standard, the highest standards of cladding available.

- 3.5 Building owners were asked to apply to the fund by the end of August 2018. The fund is administered in London by the Greater London Authority for London Local Authorities and Homes England for non-London based Local Authorities.
- 3.6 Approved applications will receive 80% of the approved funding when the contract for the cladding replacement has started on site. The final 20% will be received at the completion of the contract. Any variation in costs can be submitted at this stage for further approval by MHCLG.

## 4 Policy Context

- 4.1 The contents of this report support the achievements of the Sustainable Community Strategy 2008-2020 policy objectives:
- **Clean, Green and Liveable:** where people live in high quality housing and can care for and enjoy their environment
  - **Ambitious and achieving:** where people are inspired and supported to fulfill their potential
- 4.2 The proposed recommendations are also in line with the Council policy priorities:
- **Decent homes for all:** Investment in social and affordable housing, improve housing conditions and tackle homelessness
  - **Clean, green and liveable:** improving environmental management, the cleanliness and care for roads and pavements and promoting a sustainable environment.
- 4.3 It will also help meet the Council's Housing Strategy 2015-2020 in which the Council commits to the following objective:
- Promoting health and wellbeing by improving our residents' homes

## 5 Lewisham Council application to the fund

- 5.1 The Council made an application to the fund for £8,999,975 for works across all three blocks.
- 5.2 The application was based on actual costs for the removal of the defective cladding, and estimated costs for the replacement of the cladding. Actual spend will be monitored and audited by officers via the Project Board. Any variation between actual and estimated spend will be submitted to the GLA at the completion of the project, to ensure that the full cost of the works is included in the final payment.
- 5.3 Approval was given in October for the full amount of £8,999,975 by MHCLG. Lewisham Council now need to enter into an agreement with the GLA to receive the money, which this report is seeking approval to do.

## 6 Legal Implications

- 6.1 In accordance with the Mayor Scheme of Delegation, the approval of any application for external funding which would exceed £1 million is reserved to members..

- 6.2 On the basis that the funding bid has been successful, then subject to the recommendations in this report being agreed, the terms of a funding agreement will need to be agreed and entered into with the GLA. This report requests that authority is delegated to the Executive Director for Resources & Regeneration, in consultation with the Head of Law, to do this.
- 6.3 This is a key decision under the Council's Constitution as it involves expenditure of £500,000 or more, although the expectation is that this the costs will be refunded by MHCLG.
- 6.4 The Equality Act 2012 (the Act) introduced a new public sector equality duty (the equality duty or the duty). It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 6.5 In summary, the Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 6.6 The duty continues to be a "have regard duty", and the weight to be attached to it is a matter for the Mayor, bearing in mind the issues of relevance and proportionality. It is not an absolute requirement to eliminate unlawful discrimination, advance equality of opportunity or foster good relations.
- 6.7 The Equality and Human Rights Commission has recently issued Technical Guidance on the Public Sector Equality Duty and statutory guidance entitled "Practice". The Council must have regard to the statutory code in so far as it relates to the duty and attention is drawn to Chapter 11 which deals particularly with the equality duty. The Technical Guidance also covers what public authorities should do to meet the duty. This includes steps that are legally required, as well as recommended actions. The guidance does not have statutory force but nonetheless regard should be had to it, as failure to do so without compelling reason would be of evidential value. The statutory code and the technical guidance can be found at: <http://www.equalityhumanrights.com/legal-and-policy/equality-act/equality-actcodes-of-practice-and-technical-guidance/>

The Equality and Human Rights Commission (EHRC) has previously issued five guides for public authorities in England giving advice on the equality duty:

- The essential guide to the public sector equality duty
- Meeting the equality duty in policy and decision-making
- Engagement and the equality duty
- Equality objectives and the equality duty
- Equality information and the equality duty

6.8 The essential guide provides an overview of the equality duty requirements including the general equality duty, the specific duties and who they apply to. It covers what public authorities should do to meet the duty including steps that are legally required, as well as recommended actions. The other four documents provide more detailed guidance on key areas and advice on good practice. Further information and resources are available at <http://www.equalityhumanrights.com/advice-and-guidance/public-sectorequality-duty/guidance-on-the-equality-duty/>

## **7 Financial implications**

- 7.1 All current fire related remedial costs for the Authorities Social Housing Stock, including the ACM cladding removal and replacement, are charged into the Housing Revenue Account (HRA) and are being covered by the HRA management, repairs & maintenance and capital allocations.
- 7.2 The grant award from the Social Sector ACM Cladding Remediation Fund of £8,999,975 will be used to off-set some of these additional costs.
- 7.3 Actual spend will be closely monitored and recorded by the existing project board, with copy of invoices held to aid the expected audit of the programme. Any variation between actual and estimated spend will be submitted to the GLA at the completion of the project, to ensure that the full cost of the works is included in the final payment

## **8 Crime and disorder implications**

- 8.1 There are no crime and disorder implications arising from this report.

## **9 Equalities implications**

- 9.1 There are no equalities implications arising from this report.

## **10 Environmental implications**

- 10.1 There are no direct environmental implications arising from this report.

## **11 Background Documents and Report Originator**

- 11.1 If you have any queries relating to this report please contact Rachel Dunn on 020 8314 6713.