Executive

Excerpt of the minutes of the meeting held on Wednesday 26 July 2017 at the Town Hall, Royal Leamington Spa, at 6.00 pm.

Present: Councillor Mobbs (Leader); Councillors Butler, Coker, Grainger, Phillips, Rhead, Thompson and Whiting.

Also present: Councillors; Barrott (Chair of Finance & Audit Scrutiny Committee), Mrs Falp (Chair of Overview & Scrutiny Committee and Whitnash Residents' Association (Independent) Group Observer); and Councillor Quinney (Labour Group Observer).

13. **Declarations of Interest**

There were no declarations of interest.

Part 1

(Items on which a decision by Council on 9 August 2017 is required)

15. **Final Accounts 2016/17**

The Executive considered a report from Finance that set out the Final Accounts for 2016/17, provided summary information on the 2016/17 out-turn with the Appendices and Statement of Accounts providing an in depth analysis.

The 2016/17 Accounts had been closed, and were being audited by the Council's external auditors. This report should be completed and made available on the Council's website by the end of July, subject to the outcome of the Audit. It was intended that Finance and Audit Scrutiny Committee would formally approve the Audited Statement of Accounts on the 25 July 2017.

The Executive were asked to note the financial position for 2016/17 as detailed in the report, and to retrospectively approve the allocation of the surplus which had been appropriated to the Planning Appeals Reserve and the Leisure Options Reserve under delegated authority.

Under the Accounts and Audit Regulations 2015, local authorities' audited Statement of Accounts from 2017/18 must be published by 31 July 2018, and annually thereafter. Under the current regulations, the draft accounts must be completed and signed by the responsible finance officer by 30 June, with the audit and formal publication completed by 30 September. Piloting this new tighter timetable, the draft accounts for 2016/17 were completed by the end of May, giving June and July for the audit process.

The November 2016 Budget Review report detailed how the new arrangements would work and Members approved that any surplus or deficit on the General Fund balance was to be appropriated to or from the General Fund Balance within the Statement of Accounts. Similarly it was

agreed for the Housing Revenue Account, that the balance would be automatically appropriated to/from the HRA Capital Investment Reserve. It was also agreed that the Head of Finance, in consultation with the Finance Portfolio Holder, would amend these arrangements for appropriating the surpluses or deficits as necessary and would agree any further items of revenue and capital slippage.

In February of this year as part of the Budget Setting Process, Members approved the Revenue Ear Marked Reserves to be carried forward into 2017/18 where it had not been possible to complete projects during 2016/17. Further requests had been approved under delegated authority by the Head of Finance as follows:

Portfolio	**Project**	**Amount £**	**Reason**
Cultural Services	Replacement of Netting at St Nicholas Park and Castle Farm Leisure Centres	6,400	Awaiting completion of the Redevelopment of the Leisure Centres
Strategic Leadership	ICT Hardware	3,100	Ordered at the beginning of February, shortage of parts has delayed delivery until April
Strategic Leadership	Software for new printers that are in the process of being procured	11,200	Part of review of printer software and equipment based on relocation requirements

The unspent balances on the original approved Ear Marked Reserve Requests had been updated to reflect those at 31 March 2017. Some of these had proven lower than forecast, due to more monies being spent during 2016/17 than originally envisaged. Incorporating the new requests, the actual amounts carried forward had reduced. The final position for Ear Marked Reserves to be carried forward into 2017/18 was as follows:

	Actual Unspent Balance	**Original Request**
	£	**£**
General Fund		
Strategic Arts Programme	5,300	5,500
St Marys Lands Masterplan	39,300	55,900
Electric Pool Vehicles	2,100	6,200
Heat Distribution Network	17,200	17,200
Lillington Regeneration	26,300	26,000

Europa Way Strategic Opportunity Proposal	6,400	26,200
Harbury Lane	103,800	104,000
Crematorium Rebranding	24,000	24,000
HQ Relocation Project Manager	9,000	9,000
Coventry & Warwickshire LEP Growth Hub	22,500	22,500
Website	2,900	15,000
Workplace Transformation in preparation for Office Relocation	9,100	9,200
ICT hardware	3,100	
Castle Farm £1,700 & St Nicholas Park £4,700 nets	6,400	
Installation of new printers	11,200	
Total General Fund	**288,600**	**320,700**
HRA		
New Carpeting for Chandos Court	10,700	10,700
Independent Satisfaction Survey for Tenants and Leaseholders	5,800	6,000
Chandos Court Scooter Store	32,700	33,000
New Fire Panels for Sheltered Schemes	114,700	157,000
Total HRA	**163,900**	**206,700**

The final out-turn positions upon closure of the Accounts are as follows-

	Revised Budget £'000's	**Actual £'000's**	**Variation £'000's**
HRA	-3,992	-5,599	-1,608
General Fund	11,969	11,512	-457
Capital Programme	21,515	16,690	-4,825

£150,000 of the General Fund Surplus was appropriated to the Planning Appeals Reserve to replenish the extra demands from the implementation of the local plan as outlined in the June 2017 Fit for the Future report. The Refurbishment of the Leisure Centres had been delayed. At the time of writing this report, officers believed that the new Contractor was likely to seek compensation but would also aim to reduce the net cost to this Council. The Leisure Options Reserve was not adequate to forward fund any settlement, prior to the Council being able to agree any reimbursement. Therefore, approval was sought for the residual surplus (£306,800) to be appropriated to the Leisure Options Reserve. These appropriations were made within the 2016/17 Accounts under the delegated powers outlined in 3.2 above. The HRA balance was automatically transferred to the HRA Capital Investment Reserve with the Capital underspend being slipped to 2017/18 or returned to the HRA or General Fund Capital Investment Reserves as appropriate. Any adjustments to these arrangements would be carried out in 2017/18.

Section 8, of the report, and the appendices, to the report, provided further information on the Capital Programme, General Fund and HRA Revenue Accounts outturns, with explanations for significant variations. The Executive needed to be aware of the final position for the Council's finances for 2016/17 and any future implications. They were asked to note these explanations and endorse the work that officers were doing to improve the accuracy of budget setting and monitoring.

£484,000 was approved to be drawn down from the Leisure Options Reserve to compensate for the reduced income whilst Newbold Comyn and St Nicholas Park Leisure Centres underwent refurbishment (November 2016 Base Budget Report). Upon closure of the Accounts, the actual outturn was £101,000 favourable against the Revised Budgets, so reducing the need for this Reserve Funding from £484,000 to £383,000. Confirmation was sought of the revised contribution, with no changes to this being made in 2017/18 at present.

In April of this year, a report on the Corporate Repair and Annual Maintenance Programme, was considered. At that point it was forecast that £485,600 of this budget would be slipped due to some of the planned works being deferred until 2017/18. Upon closure of the accounts, it had been established that the budget, £1,371,500, had actually been underspent by £931,800. These monies would be returned to the Corporate Asset Reserve to be utilised in future years. The April report outlined the reasons for the delays, including the absence of the Head of Service, weather and proactive decisions to defer works to minimise service disruption. This underspending was spread across the General Fund Services and was contained within the "Premises" variations in the detailed General Fund Appendix. It was recommended that the revised position be noted and approval of the surplus appropriated back to the Reserve within the 2016/18 should remain so for 2017/18.

The report was a statement of fact. However, how the outcomes could be treated, could be dealt with in a variety of ways, mainly the alternatives were to allow the General Fund balance to vary from the £1.5m level, along with how the 2016/17 surplus was allocated. Any changes to the allocations would be carried out during 2017/18.

Finance and Audit Scrutiny Committee had not been able to approve the Audited Statement of Accounts at their meeting on 25 July 2017 because the external auditors had not yet completed their work on the accounts.

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

The Executive recognised that there was a significant amount of paperwork to be considered and scrutinised in a short period of time. They also recognised the challenge of requesting attendance from a significant number of officers to respond to questions rather than relying on the Head of Finance. However, they reminded Scrutiny that they could always email

questions to officers in advance of the meeting to enable a detailed written response to be available.

The Executive also commended officers for their success in continuing to deliver services for a far lower cost and that they knew this was getting harder to achieve. They also reminded all Councillors, while the general budget was being balanced, there was a need to fund a significant amount of capital works.

Recommended that

(1) the new arrangements for the closure of the Annual Accounts as outlined in the report and in the November 2016 Budget Review Report be noted;

(2) the final position for Revenue Slippage (Ear Marked Reserves) to 2017/18. £288,600 General Fund and £163,900 Housing Revenue Account (HRA),including the additional requests approved under delegated authority, be noted;

(3) the final positions for the two funds, £456,800 favourable General Fund Revenue and £1,607,600 favourable Revenue HRA, the Capital Programme shows a favourable variation of some£4,824,600, be noted and Council confirms the appropriations set out in the report in section 3.4 of the report; and

(4) the revised contributions from the Leisure Options Reserve and to the Corporate Asset Reserve as detailed in sections 3.6 and 3.7 of the report, be approved.

(The Portfolio Holder for this item was Councillor Whiting.)
Forward Plan reference 847

16. **Fire Safety in High-rise Buildings**

The Executive considered a report from the Deputy Chief Executive (BH) regarding fire safety in high-rise buildings managed by the Council, advised them of the work that had been underway since the Grenfell Tower fire and the work that had been identified as a result of the Warwickshire Fire and Rescue Service compliance checks.

The fire in Grenfell Tower in the London Borough of Kensington & Chelsea on the night of the 13/14 June 2017 was presumed to have killed at least 80 people and had far reaching consequences. The causes of the fire, the spread of the fire and the response to the fire were the subject of a number of investigations, including an on-going Police investigation and the commencement of the process for a Public Inquiry into the tragedy,

led by a retired judge. The Department of Communities and Local Government had issued a number of guidance statements on fire safety checks and instructions on the testing of certain types of cladding to all local authority and housing association chief executives and the owners, landlords and managers of private residential blocks and the Government Property Unit had subsequently extended this guidance to all Government departments so that it applied to all government buildings and the education and health sectors.

In Warwickshire, the Chief Fire Officer had instigated a series of Fire Safety Compliance Checks on any building above 18 metres in height and/or any residential premises above six storeys. These audits of the fire safety provisions within those premises had been undertaken by officers from Warwickshire Fire & Rescue Service (WFRS), in conjunction with representatives of the building owner or managing agent, in the Fire Services' capacity as Enforcing Authority under the Regulatory Reform (Fire Safety) Order 2005.

Warwick District Council (WDC) owned and managed seven multi-storey blocks above 18 meters in height, and had two further blocks of flats of six-storeys, all within Leamington. These blocks contained a further 28 socially rented and leasehold flats. In total, across the nine blocks there were 375 socially rented flats and 32 leasehold flats as detailed at Appendix One to the report. These blocks had all been inspected by WFRS and a Fire Safety Compliance Check Report had been received for each block.

DCLG fire safety guidance applied to the seven multi-storey blocks and the Council had provided the necessary returns confirming compliance with this guidance to Government.

In the immediate aftermath of the Grenfell Tower disaster, the Council hand delivered a letter to each property within the seven multi-storey blocks to provide reassurance to the residents of the fire safety provisions that were in place and the additional checks that were now being put in place. A subsequent letter was hand delivered on 29 June. Copies of these letters were set out at Appendix Two and Appendix Three to the report.

Although the DCLG guidance only referred to blocks in excess of 18 metres in height, WFRS decided that they would inspect all blocks of six storeys or more. An initial round of joint inspections was undertaken for the seven multi-storey blocks and subsequently the two additional six storey blocks falling within the local designation had also been jointly inspected. A separate letter would be sent to the residents of these blocks.

The joint inspections included visual inspections of the following elements within each block:

- External cladding where fitted
- Communal areas, stairwells and escape routes
- Fire safety signage
- Dry risers where fitted

- Bin stores and, where applicable, bin chutes
- Storage areas and meter cupboards
- Fire doors to communal areas
- Front doors to flats
- Fire stopping and cable clipping in communal areas
- External areas to ensure there were no fire safety hazards

In addition, the visit also assessed the records maintained in respect of:
- Testing of electrical installations
- Testing of fire alarm systems
- Testing of emergency lighting
- General fire safety management

The national guidance initially focussed on the cladding fitted to high rise blocks. Five of the HRA blocks were clad, four with one system, one with another. None of the cladding systems fitted to the blocks comprised the Aluminium Composite Material (ACM) system that was fitted to Grenfell Tower and which the DCLG guidance had required to be tested. The focus of the investigations into the cladding of the five blocks had been to ensure that the integrity of the cladding system was not compromised, with repairs being ordered to rectify the few examples of minor damage, followed by a thorough technical review of the fire safety properties of the cladding's properties, in consultation with WFRS.

The joint visits focussed on a broader range of issues than just the cladding fitted to the blocks. Following the visits, the Council had received an individual Fire Safety Compliance Check Report for each of the seven multi-storey blocks and was awaiting similar reports for the two six-storey blocks. Each of the reports received, provided an individual schedule of issues that WFRS would require the Council to address in respect of its duties under the Regulatory Reform (Fire Safety) Order 2005 and some additional recommendations listed as 'Goodwill Advice'. It was anticipated the two letters yet to be received would follow a similar format.

WFRS advised that they would re-inspect each block on 20 September 2017 by which time they expected that the specified issues would have been addressed. Provided this was the case, they intended to then issue a 'Letter of general compliance' in respect of each block. At this point the Council would formally update its Fire Risk Assessments in respect of each block.

Officers welcomed both the detailed reports that have been received and the collaborative approach adopted by WFRS. Resident safety was of paramount importance and a huge amount of work had already been completed or put into train. A corporate Fire Safety Group had been established and was currently meeting weekly to oversee the multiple work-streams that were underway. Led by the Deputy Chief Executive (BH) the membership of this group was:
- Head of Consortium, Warwick Building Control
- Technical Consultant, Warwick Building Control
- Building Manager & Health and Safety Coordinator
- Asset Manager

- Sustaining Tenancies Manager

This group had been working closely with WFRS and officers from the group had been attending a fortnightly WFRS/Local Authority meeting that was overseeing the county-wide response to events since the Grenfell Tower fire.

As a result of the joint inspections of the blocks, work had either been completed or was well advanced to:

- Replace damaged front doors and/or repair damaged door frames to 58 flats
- Provide additional cable clipping in communal areas as appropriate
- Provide fire stopping in communal areas where new work had been identified since this was last completed (e.g. where a new cable had been fitted).
- Repair or replace any damaged communal area store or meter cupboard doors
- Relocate external recycling bins further away from blocks
- Repair any minor damage to cladding, where fitted

In addition, the following management actions had been implemented:

- Review of existing fire safety assessments
- An enhanced communal area inspection regime with revised recording systems
- Issue of revised fire safety notices to all residents
- Visual inspection of every flat front door
- Identification of an appropriate specialist framework contractor to enable additional works to be ordered speedily
- Adoption of a risk based approach in respect of additional verification of the fire safety properties of the cladding fitted to five of the multi-storey blocks
- Prioritised requests to specialist contractors for costed proposals for automatic smoke ventilation systems to stairwells, fitting of 'drench' sprinkler systems to bin stores; upgrades to the communal fire alarm systems currently fitted to every block; retro-fitting of dry-risers to the two six storey blocks; upgrades to lobby protection and bin chute door specifications; provision of an electronic register for future maintenance recording

WFRS had indicated they were satisfied with the response that WDC had made to date in respect of the Compliance Check Reports and had re-iterated their desire to work collaboratively. Officers would be ensuring that regular dialogue was maintained in respect of the progress of the works already in train in the Council's nine designated blocks and will be seeking their specialist guidance in respect of particular proposals that were now being developed under the last bullet point above. It was also known that the Chief Fire Officer would continue to advocate the 'retro-fitting' of sprinkler systems to all designated blocks, an issue set out in the 'goodwill advice' section of the letters received to date. This was a significant technical issue that would require detailed and specialist consideration so would be dealt with once the list of works set out above had been addressed.

The Fire Safety group had developed a programme for an internal inspection of every flat within the nine blocks to provide a further level of reassurance in respect of fire safety. These inspections would record:

- Flat layout (to enable details to be provided to WFRS)
- Check to ensure no internal fire safety measures had been compromised (e.g. unauthorised removal of kitchen door, deactivation of fitted smoke detectors etc.)
- Occupant details (to enable details to be provided to WFRS of any occupants with special needs and allow an assessment to be made of the need for any specialist equipment e.g. beacons as well as sounders for alarms for hard of hearing occupants)
- Condition of windows and doors
- Visual check of cladding around window reveals (to check for any damage that could not be observed from ground level)

In addition to these inspections, WFRS would be arranging for their operational crews (as opposed to their specialist Fire Prevention Officers who had undertaken the joint visits to date) to visit each flat within the nine blocks and offer the occupants a 'Safe and Well Check' allowing education and guidance on fire safety issues to be provided.

An appropriate specialist framework contractor had been identified and a direct award made to engage their services as required by the Code of Contract Practice. Demand for the services of such contractors was currently high so officers had moved quickly to place the direct award which would be followed by an appropriate form of contract. The contractor would begin a detailed survey of every door on every floor of the communal areas, including all flat front doors. This was additional to the current programme of repairing or replacing damaged doors for which two dedicated crews had been provided by our responsive repair contractor. The aim of this survey would be to enable us to work with the framework contractor to devise a programme of replacing every door on a rolling programme, enabling them to be upgraded to provide 60 minute fire protection.

It was recommended that authority be delegated to the Deputy Chief Executive (BH), in consultation with the Housing Portfolio Holder, to enable this work to be undertaken during the coming financial year. Clearly, all this work would not be completed by 20 September 2017 when WFRS would re-inspect the blocks but they had indicated that they were likely to be satisfied with evidence that an appropriate, risk based, programme was in place provided the immediate remedial work (currently underway) had been completed. The likely cost of a comprehensive door replacement programme plus future specialist works such as the fitting of automatic smoke ventilation, fire alarm upgrades or fire suppression systems for bin stores was estimated at c£2.5m. The proposed mechanism for financing these works was to use the unallocated balances within the Major Repairs Reserve which meant it could be accommodated without detriment to the planned expenditure already budgeted for within the HRA Business Plan. This was explained in further detail in section 5 of the report.

It was recommended that the Council assume responsibility for the replacement of the front doors to the 32 leasehold flats within the nine blocks and for any upgrades required to the existing internal alarm provision within these flats (for example, currently it was unclear if any of the flats were sold prior to hard-wired smoke alarms being fitted to flats within the block). Legal advice had been requested on whether a nominal charge should be levied for the proposed work and whether or not a leaseholder could be compelled to accept the offer of the work being paid for by Council (at least in respect of an upgraded front door to their flat on the grounds that a door providing less fire protection than those fitted elsewhere in the block could compromise the safety of all residents not just the occupants of the leasehold flat).

In addition to the work that was being undertaken in respect of the Council's nine HRA blocks, officers from the Private Sector Housing Team and Warwick Building Control had been in extensive and regular dialogue with WFRS in respect of privately owned residential blocks within the District.

WFRS had been undertaking similar inspections of the communal parts and exterior of these blocks in conjunction with the owner, landlord or managing agent and providing them with the same Fire Safety Compliance Check Report as they had for the Council. In all cases to date, these had identified issues to be addressed and other 'goodwill advice' issues for consideration as in the reports the Council had received.

The blocks inspected to date were:
- Manor Court, Avenue Road, Leamington
- The Space, Clarendon Avenue, Leamington
- Regency House, Newbold Terrace, Leamington
- 9 Clarendon Place, Leamington

WFRS were currently assessing whether a further block at Kempton Drive, Warwick fell within their criteria. They had also undertaken an inspection of the Holiday Inn, Kenilworth as this was above six storeys in height.

At present, there appeared to be no immediate role for the Council in respect of these privately owned blocks although there could potentially be a future enforcement role were the owners/agents not to undertake work identified by WFRS as necessary under the Regulatory Reform (Fire Safety) Order which applied to the private sector as well as local authorities and housing associations. There was also the possibility that, based on a risk assessment of their findings in respect of communal areas WFRS could advise that it would be prudent to check the fire safety of flats within these privately owned blocks, utilising the Council's powers under the Housing Health and Safety Rating System. The potential for Council involvement was being monitored by the Fire Safety Group and in addition officers would hold a further meeting with WFRS, focussing solely on these blocks.

The current situation was fast moving and guidance continued to evolve. The Council continued to do all it could to reassure tenants, collaborate

with WFRS, adapt its risk based approach, deal with immediate issues, revise inspection regimes and evaluate all options to mitigate risk and enhance the existing levels of fire safety. The Council's risk based approach to fire safety in its high rise flats would be independently re-assessed by WFRS, no later than 20 September 2017 when the nine designated blocks were re-inspected. A further report would be brought to a future Executive after that date, setting out any further work required in respect of the nine designated high rise blocks and examining any issues relating to fire safety in the Council's remaining low rise blocks of flats.

Alternatively, the Council could consider not adopting the recommendations set out in this report but this was not considered to be a viable option given the risks set out above.

The Overview & Scrutiny Committee supported the recommendations in the report and praised the actions taken so far. The Committee looked forward to the next report and seeing the timescales.

The Executive complimented officers for their work that was already in place prior to the tragedy, at Grenfell Tower, which had put the Council in a robust position. However, in addition to this, their work after the event, demonstrating their knowledge of Council properties, had been exceptional to ensure issues were identified and resold. This work was a credit to the Council.

The Executive also confirmed that the next report was expected to come forward in November 2017.

The Head of Finance informed the Executive that he had revisited Item 4 Fire Safety in High-Rise Buildings, due to be considered by the Executive this evening. On reflection, due to the value of the additional works being proposed, and in accordance with the Council's Code of Financial Practice, the increased budget required the approval of Council.

Therefore recommendation 2.2 should be amended to read as follows:

"*That Council delegates authority to the Deputy Chief Executive (BH) in consultation with the Housing Portfolio Holder, to agree additional expenditure in 2017/18 for fire safety works to Housing Revenue Account (HRA) properties, utilising the unallocated balances on the Major Repairs Reserve."*

Therefore, if approved by the Executive, this aspect of the report would be referred to Council for consideration on 9 August 2017. However, recommendations 2.1, 2.3 and 2.4 within the report remained as decisions for the Executive to take.

Recommended that Executive delegates authority to the Deputy Chief Executive (BH) in consultation with the Housing Portfolio Holder, to agree additional expenditure in 2017/18 for fire safety works to Housing Revenue Account (HRA) properties, utilising

the unallocated balances on the Major Repairs Reserve; and

Resolved that

(1) the contents of this report be noted;

(2) subject to agreement of Council, above, that fire safety works to front doors to, and fire detection equipment within, leasehold flats within the nine designated blocks, listed at Appendix One, will 'in principle' be funded by the HRA; and

(3) a further report will be presented to the Executive when WFRS have re-inspected the Council's nine designated blocks of six-storeys or above.

(The Portfolio Holder for this item was Councillor Phillips)

(The meeting ended at 6.43pm)