

## **News reporter of the year – Pete Apps**

### *Revealed: external panels probable cause of huge tower block fire spread*

When fire tore through a tower block in Shepherd's Bush in August 2016, Pete knew something was amiss. Having covered fire safety in high rises extensively, he knew the spread of the blaze was unnatural and dangerous.

With the council refusing to reveal why, he turned to the Freedom of Information Act and uncovered – in April – a secret report which showed insulation panels on the outside of the building had allowed flames to travel upwards, with the London Fire Brigade warning others about the risk.

This story – three months before the Grenfell Tower disaster – is the clearest and most specific demonstration of *Inside Housing's* role in signalling the risks to high rises, [as documented by The Guardian here](#). It made [the front page of the Evening Standard](#) and [the BBC](#), with Pete appearing on Newsnight to discuss it. The tragedy remains that it was not read more widely before the disaster.

### *Grenfell refurbishment budget was limited by HRA cap*

In the aftermath of the Grenfell disaster, the publically available documents relating to the refurbishment of the tower were scrutinised by the entire world's media. There was one, crucial scoop they all missed however – the link between a controversial government cap on council borrowing and the limited funds available to invest in refurbishing the tower.

Pete discovered about this link following meetings with local councillors, after which he searched through council budgets to confirm it. In a policy context, it could not have been more significant. It proved the Royal Borough of Kensington and Chelsea chose to install cheaper cladding on Grenfell, under pressure from a specific, controversial government funding decision. It was immediately followed up by [The Times](#) and other national papers and demonstrates once more the value a specialist built environment reporter can offer, even when national newspapers throw all their resources at a story.

### *Regulator knew of Circle repairs issues before upgrade*

As part of a major investigation into the repairs crisis at Circle Housing that was receiving national media attention and parliamentary scrutiny in January, Pete received several leaked documents from a whistle-blower.

One of them raised huge questions about the role of the government's regulator in the issues. Circle had been censured for poor repairs in 2015, but was upgraded in summer 2016 before being downgraded again in December 2016. The documents Pete received, after months of building trust with sources, proved the regulator knew the repairs issues were ongoing when it issued the upgrade.

This story was the culmination of years of reporting by Pete on the huge social landlord's repairs problems, and shows the value of the trade media in scrutinising as well as simply covering the major actors in the built environment world.

# INSIDE HOUSING

## Legal guardians

What does the future hold for property guardian companies and their stewards?  
*Feature, page 16*



## Waiting for the axe

A look at which areas will be worst hit by the housing benefit cut to young people  
*Feature, page 22*



# Revealed: fire spread linked to panels

■ INVESTIGATION REVEALS CONCERNS OVER PANELS IN BLAZE WHICH SPREAD ACROSS FIVE FLOORS

■ FIRE SERVICE ISSUES WARNING TO ALL COUNCILS TO CHECK HIGH-RISE BUILDINGS

## Fire safety Documents reveal safety flaws in insulation panels

**Pete Apps**

Councils have been warned over the use of insulation panels on high-rise buildings, after tests revealed they “likely” caused a devastating fire to rip through a tower block last year.

Flames tore across five floors of the Shepherd’s Court building in the London Borough of Hammersmith and Fulham last August in scenes reminiscent of the Lakanal House tragedy, after a faulty tumble dryer caught

fire on the seventh floor.

Documents released to *Inside Housing* under the Freedom of Information Act this week revealed that an investigation showed panels attached to the outside of the building came apart when burnt, exposing flammable insulation material and plywood to the blaze.

It concluded this “is likely to have assisted the fire in spreading up the outside of the building”, with the London Fire Brigade warning Hammersmith

and Fulham and all other London boroughs over use of the panels. No details about the cause of the fire’s spread had previously been released.

In 2009, six people - including three children - died when a fire spread through Lakanal House in south London. A coroner’s investigation later revealed panels attached to the building contributed to the spread of the blaze.

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LONDON FIRE BRIGADE

→ Meet the sector’s future leaders. See page 10

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## And 4 pages of jobs

### Offsite

# East London modular plan

## Partnership to create homes and commercial property for Docklands

**Luke Barratt**

A housing consortium is planning to build 3,000 homes in east London with a new modular factory.

The Silvertown Partnership (TSP), a £3.5bn scheme run by developer First Base, aims to create homes and commercial property in east London. It has partnered with engineering giant Aecom, which will provide the technology required for modular homes in the Docklands.

Aecom is seeking planning permission to construct a modular factory which, it is hoped, will deliver 500 homes a year. The first homes are expected to be provided next year.

Phil Wade, a director at TSP, said: "We are excited to be partnering with Aecom to deliver 3,000 homes for Londoners via cutting-edge construction methods. As the government stated in its recent Housing White Paper, innovation is essential to meet housing demand in the UK, and this is a bold step that will help us deliver these much-needed new homes in

significantly less time. We look forward to working with Newham and the Greater London Authority to advance these plans."

Of the 3,000 homes being provided from the factory, 35% will be affordable. Aecom will be responsible for designing and assembling the homes on site.

Modular construction has begun to take hold in the UK, with a number of new entrants to the market in the past 18 months. Last year, *Inside Housing* revealed insurance giant Legal and General was planning a factory near Leeds with the capacity for 3,000 homes per year.

In December, Your Housing Group signed a £2.75bn deal with a Chinese consortium to develop a number of factories across the country. Swan Housing Association is planning an offsite factory, which should deliver its first homes this summer.

The government has been seeking to increase modular construction in housebuilding in England, hoping it will speed up development. It plans to favour offsite construction in its Accelerated Construction programme, with large portfolios of land given to developers to provide volume for offsite factories.

### Fire

# Insulation panels helped fire spread

→ Continued from front

Arnold Tarling, chartered surveyor at Hindwoods and fire safety expert, said this kind of fire can be "catastrophic" in high rises, which are supposed to contain the spread of flames for at least 30 minutes, with residents often advised to stay put as a result.

In response to the findings, Hammersmith and Fulham originally said it "had no prior knowledge" of any fire risk relating to the panels. It has now commissioned CS Todd and Associates to examine the issues raised by the LFB. The panels, which were made of polystyrene mounted on plywood covered by a 1mm steel sheet, were installed during window replacement work 10 years ago. This was originally done by now defunct contractor Connaught and completed by Balfour Beatty, which is not thought to have installed any panels.

An LFB spokesperson said: "We have written to Hammersmith and Fulham Council and all other London boroughs to inform them of the results and have advised that they review the use of these panels in their buildings."

A Hammersmith and Fulham spokesperson said it had "commissioned leading practitioners in fire safety and fire engineering, to examine in detail the issues raised by LFB".

## From the web

[www.insidehousing.co.uk](http://www.insidehousing.co.uk)



### ● Five most read

1. Staff dissatisfaction grows despite pay increases
2. Giant supermarket chains plot residential development
3. Your Housing Group plots major stock rationalisation
4. LHA: a reverse supermarket sweep
5. The politics of the benefit cap

### ● Five most commented

1. Your Housing Group plots major stock rationalisation
2. Government rejects committee recommendation over Right to Buy funding
3. More freedom but more

accountability

4. 'Keep reputational risk in mind' warns regulator as changes kick in
5. Inheritance tax change will have huge impact on the market

### ● Blog

Digital services promote self-confidence and esteem among tenants, says *Catriona Simons* of The Guinness Partnership, [insidehousing.co.uk/7019469.article](http://insidehousing.co.uk/7019469.article)



### ● Blog

Deregulation will change the way associations operate, but there is no suggestion they will move away from social purpose, says *John Bryant* of the National Housing Federation [insidehousing.co.uk/7019565.article](http://insidehousing.co.uk/7019565.article)



## Grenfell refurbishment budget was limited by borrowing cap

NEWS 11/08/17 12:01 AM BY PETER APPS

Kensington and Chelsea limited the budget for its refurbishment of Grenfell Tower due to a controversial government-imposed borrowing cap, council papers reveal.

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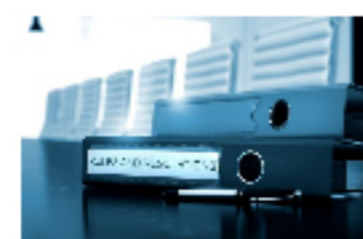
The original budget for the 2014 renovation of the 24-storey tower – which included fitting highly combustible insulation to the outside – was limited to just £9.7m.

A review of the council's housing accounts from that year shows it was under pressure to reduce its spending on maintenance projects because the government had put limits on its borrowing power.

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**Grenfell: the paper trail**

The council's Housing Revenue Account (HRA) business plan for 2014 shows the council had £11.4m of borrowing capacity due to the government cap, despite £100m of necessary work including Grenfell Tower.

The accounts say: "Despite the aim of HRA's becoming self-financing, local authorities have been set a borrowing cap for their HRA which cannot be exceeded. The Royal Borough's cap is £221m – given our current debt, our headroom for borrowing is only £11.4m... Given, the limited scope for additional borrowing, the intention is to not use it to fund maintenance work."

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It notes: "The estimated cost over the next five years to deliver the agreed investment standard is approximately £100m. There currently remains a funding gap of at least £30m."

As a result, the council planned to plug the gap through property sales and increasing rents but was forced to operate on a tight budget.

The Grenfell refurbishment, which also included funding the construction of nine 'hidden homes' around the tower, was paid for largely through £6m raised from selling basements owned by the council near the King's Road.

Two contractors – Leadbitter and Bouygues – declined to carry out the project within the £9.7m budget, with Leadbitter quoting £11.3m for the work. Rydon was eventually appointed following a procurement exercise.

Borrowing caps were imposed on councils when a self-financing agreement for council housing was signed with central government in 2012. Councils were allowed to keep their own rent receipts to invest in their stock, but the power to borrow against the income was restricted.

Councils including the Local Government Association (LGA) have consistently called for the caps to be abolished to allow councils to invest in new and existing homes.

The LGA has previously said the cap is "unnecessary" and hampers council housebuilding and local economic growth.

In 2014, the coalition government offered £300m of additional borrowing capacity to councils to invest in new build. The current government has committed to striking 'bespoke' deals with local authorities which would allow them to borrow more to build.

The funding revelation comes as *Inside Housing* publishes an investigation spanning seven years of Kensington and Chelsea's records on fire safety, two months after the fire which ripped through Grenfell Tower, killing at least 80 people.

A Royal Borough of Kensington and Chelsea spokesperson said: "Refurbishment works are likely to feature in the upcoming public inquiry into the Grenfell Tower fire... We want to be open and transparent, but we hope people understand that we also do not want to prejudice the fair conduct of the public inquiry in any way."

The Department for Communities and Local Government has been contacted for comment.



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Repairs and maintenance

# Regulator knew of Circle repairs issue

## HCA saw detailed list of repairs failures before restoring G2 rating

Pete Apps

The housing regulator knew about serious problems with Circle's repairs service affecting vulnerable tenants when it upgraded the organisation to compliant last year.

The Homes and Communities Agency (HCA) restored Circle to a compliant G2 in a judgement on 29 June, saying the 55,000-home landlord had "significantly improved the performance of its repairs service" since a downgrade in April 2015.

But three months earlier it had received a detailed breakdown - seen by *Inside Housing* - of failures to repair boilers on the Old Ford Estate in Bow, which had left vulnerable tenants without heating for months.

The email gave the names and addresses of 10 tenants, all of them vulnerable "either through age, disability or young children living in the household" who were "without heating and hot water for weeks and in some cases many months over winter". It said: "Several of these tenants became ill as a result of the lack of heating, and all have endured serious stress and anxiety."

But this complaint, which warned many more tenants were affected, was not deemed serious enough to merit a breach of the regulator's consumer standards and an appeal was rejected in June, just six days before the upgrade was issued.

At this point, Circle was in the latter stages of negotiations with 55,000-home Affinity Sutton to complete the largest merger in the history of the housing association sector. Had Circle remained G3, the new organisation would also have received a non-compliant rating.

Three weeks after the merger was formally completed, the regulator changed its stance, placing the newly

### Timeline: The regulator and Circle's repairs service

#### April 2015

Circle is downgraded to a non-compliant G3 after "chronic failures" in its emergency repairs

#### April 2016

The regulator is asked to investigate claims that Circle is failing to repair vulnerable tenants' boilers

#### June 2016

This call is rejected, and Circle is upgraded to G2 with the regulator citing "significant improvements" in the service

#### December 2016

Three weeks after the merger with Affinity Sutton completes, a regulatory notice is issued, finding Circle's repairs service breached consumer standards

formed Clarion Housing Group on regulatory notice.

The regulator can only intervene in consumer affairs such as repairs in very specific circumstances. It needs evidence of serious detriment and works under a duty to minimise interference.

It is understood a substantial num-

ber of additional complaints were reported to the regulator after it took the decision to issue the upgrade in June. This coincided with Circle's attempts to centralise its nine complaints teams into a single call centre with a staff of 20 - an issue which is understood to have exacerbated the problems.

A spokesperson for the HCA said: "As further information and referrals were made, we took that into account, which resulted in the regulatory notice dated December. Our view on whether there has been a breach of our standards is always based on the facts of the presenting issue."

The regulatory notice in December did acknowledge complaints had been raised in April, but did not specify what it knew and when.

A Clarion spokesperson said: "Over the past two months Clarion Housing Group has already made significant progress in solving issues identified by Circle Housing residents."



Tenants were left without heating

→ More on this story on page 18

Homelessness

## Three London boroughs back scheme

Croydon, Lambeth and Westminster have backed a new £45m partnership to buy homes to rent to homeless people.

Between them the councils have lent £45m to fund manager Resonance and homelessness charity St Mungo's for the second Real Lettings Property Fund, (RLPF2), which aims to buy homes to let to homeless individuals and families across London.

The fund follows on from an initial scheme launched in 2013 which saw £57m invested over two years. Croydon Council was an investor in the original Real Lettings Property Fund, and has returned as an investor in the second fund, while Lambeth and Westminster are new investors.

John Williams, senior investment manager at Resonance, said: "Resonance is always looking for new ways to connect real investment with good social enterprise."

Homelessness

## Children spend too long in temporary housing

Families with children in Scotland are spending too long in temporary accommodation, risking their health and well-being, a report from Shelter Scotland has concluded.

Families are spending longer in temporary accommodation, with an average stay of 24 weeks compared with 18 weeks in 2014. Nearly a third of families spent more than six months in temporary accommodation, according to the research based on Freedom of Information Act responses from 30 Scottish councils.

In 2015/16 councils provided an estimated 3.8 million days of temporary accommodation for homeless households, of which one million were for households with children. This is approximately the same as in 2014 and 1% lower than 2015.