



# Grenfell Tower disaster changes thinking about social housing in the UK

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*The fire in Grenfell Tower resulted directly in an increased government focus on social housing. In a statement on the fire, the Prime Minister said, "For too long... under governments of both colours, we simply haven't given enough attention to social housing". Together with the collapse of Carillion, the UK's second biggest construction and services firm, this tragedy also raised important issues about contracting out public services.*

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## Description

In June 2017, a fire started in Grenfell Tower, a recently-renovated tower block in the London Borough of Kensington and Chelsea, mostly occupied by social renting tenants. The fire got out of control. 71 people died. Hundreds lost their homes, and hundreds more had to move out of adjacent buildings. While the emergency services have been praised, the response of the local authority, the housing management organisations, and some other agencies was widely seen as inefficient and insensitive. The Grenfell Tower tragedy provoked a national outcry and a wave of sympathy for victims, their relatives and displaced residents. It provoked increased national interest in social inequality, class and race, housing policy, and social housing. A series of inquiries were launched into the causes of the fire and the responses to it, including an independent inquiry, and investigations by the police, fire service, technical agencies, and Equalities and Human Rights Commission.

In September, the Secretary of State for Communities and Local Government announced a social housing green paper, which would be "a wide-ranging, top-to-bottom review". Compared to the housing ministers of the past four decades, he was unusually positive about social housing, saying, "we need to return to the time... when social housing was...treasured".

## Outlook & commentary

In fact, it could be argued that previous governments had given quite a lot of attention to social housing, although more usually treating it as a problem rather than a treasure. As in many other EU countries, UK social housing has been undergoing major transitions for the past four decades: a reduction in the size and quality of the tenure via the Right to Buy (sales to tenants at large discounts), a transition from local authority to housing association ownership via "stock transfer", and managerialisation and contracting out of services to private organisations. Housing associations have themselves transformed through the use of private finance and increasing scale. The exposure of social housing organisations (and their tenants) to financial risk has increased, but regulation of finance, management, construction and fire safety has reduced. When the inquiries into the Grenfell Tower fire begin to report, these processes may prove to have been implicated to some extent, for example through the division between ownership and management of the block, and the complex contracting arrangements for its refurbishment and cladding, and the decline in support for tenant participation. Like numerous other local authorities, the council had contracted out responsibility for running its social housing to an "Arm's Length Management Organisation" (ALMO), a

new non-profit with council appointees in a minority on its board, in order to meet 1990s Labour government criteria for improvement money. The local authority had long since ceased carrying out maintenance through its own staff, and 383 firms had “some involvement” in the refurbishment of the tower. A tenants’ group had complained repeatedly about problems including fire hazards, and eventually blogged with tragic prescience that only a disaster would get a response. If the fire is eventually linked to restructuring of social housing, it will have implications for social housing across the EU.

In January 2018, Carillion, the UK’s second biggest construction and services firm with contracts throughout the public sector, went into receivership. This event put under unusual scrutiny the increasing dependence of the UK

state and public services, including public safety, on a small number of large and fallible private organisations. In combination, emerging government frustration with private house builders, and events at Grenfell Tower and Carillion suggested cumulative problems linked to the “hollowing out of the state”. This is the process through which the state’s shape, capacity and ability to offer accountability alter when it contracts rather than provides services. The opposition Labour party has stated it wants to bring contracts back “in house”, to increase employee influence, and see councils building on a large scale. Significant shifts in social housing policy remain unlikely, although possible. In addition, many housing associations are invested in the current system, and councils cannot scale up activity significantly in the short-term.

## Further reading

Malpass, P. and Victory, C. (2010), “The Modernisation of Social Housing in England”, *International Journal of Housing Policy*, 10(1) 3–18, March

May, T. (2017), “PM Commons statement on Grenfell Tower: 22 June 2017”, 22 June 2017: <https://www.gov.uk/government/speeches/pm-commons-statement-on-grenfell-tower-22-june-2017>

Rhodes, R. (1994), “The hollowing out of the state: The changing nature of public service in Britain”, *The Political Quarterly*, 65(2):138-151.

“Sajid Javid’s speech to the National Housing Federation conference 2017”, 19 September 2017: <https://www.gov.uk/government/speeches/sajid-javids-speech-to-the-national-housing-federation-conference-2017>

Website of the Grenfell Tower Inquiry: <https://www.grenfelltowerinquiry.org.uk>

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