

Shelter briefing: Response to the Grenfell Tower Fire

The Grenfell Tower fire of 14 June 2017, in which fire consumed a 24-storey block of predominately social housing flats, was one of the worst urban disasters in recent history. The horrific scenes and loss of life shocked the nation, raising major questions about how such a disaster could happen in the centre of the capital city of a country with the wealth and regulatory standards of 21st century Britain.

Following this appalling tragedy, Shelter appointed a commission of 16 people to lead a national conversation about the future of social housing in England. The goal of the commissioners was to explore the future of public housing in the twenty first century and to understand the experiences of social housing tenants in England. They examined how social housing needs to change to meet the challenges of the housing crisis we face and how we, as a country, should best respond to tenants' experiences.

The Commission report calls on the government to:

- Rediscover publicly built housing as a key pillar of our national infrastructure by building **3.1 million new social homes over the next 20 years**
- Protect tenants by **introducing a new, separate social housing regulator** responsible for proactively enforcing consumer housing standards

Shelter services in Kensington and Chelsea

Shelter's national services help millions of people every year through our advice line, online and face-to-face services and our London hub provides face to face advice and support across all 33 boroughs.

In the immediate aftermath of the fire at Grenfell Tower, Shelter London set up a dedicated local service to support those affected, and today continue to provide direct advice and support both to those affected by the Grenfell fire and the wider community, through free legal support, advice and ongoing casework.

As well as helping both Tower and Walkways residents, our team also helps other North Kensington residents, many of whom have experienced long term issues with housing and homelessness. We have found there remains a profound need in the area with many residents of the Walkways still awaiting rehousing and other non-Grenfell related residents whose housing situation has not progressed.

Our service is based across three locations: North Kensington Citizens Advice, The Space Community Centre, and The Westway Trust. Residents are free to contact us to arrange an appointment at any of these locations or to request a home visit: by e-mailing North_Kensington@shelter.org.uk or calling 0344 515 0314. Members of Parliament with constituents affected by the fire or who have a housing need in the borough, feel free to refer them to Shelter: additionally, our team is happy to attend local events to talk about the help we offer.

Response to Grenfell: Shelter's Commission on the future of social housing

In the days and weeks after the disaster, the focus of government and many in the voluntary sector was providing support to the immediate relief efforts, and to the survivors and those in the community immediately affected by the disaster.

But the disaster also raised broader questions of social policy, particularly relating to housing policy, and shone a spotlight on profound social issues which have housing at their heart. It was in this context that Shelter's commission on the future of social housing was established.

The cross-party group of 16 commissioners represented a diverse range of political views and life experiences, from former government ministers to residents, and was chaired by the Reverend Mike Long. The goal of the commissioners was to explore the future of public housing in the twenty first century and to understand the experiences of social housing tenants in England. They have examined how social housing needs to change to meet the challenges of the housing crisis we face and how we, as a country, should best respond to tenants' experiences.

Commission recommendations: 3.1 million new social homes

For generations, social housing played a vital role in meeting the housing needs of ordinary people, giving millions the quality and dignity of life that insecure and unaffordable private renting could not. The Commissioners are calling on all political parties to rediscover publicly built housing as a key pillar of our national infrastructure. They are recommending that we build **3.1 million new social homes over the next 20 years**; an average of around **150,000 a year**. Importantly, there is a precedent for such a figure: in the mid-1960s, we delivered 150,000 social homes a year. **It's been done before, and it can be done again** – if it is the major focus of government efforts.

Building at such a scale would allow us to recapture the original purpose of social housing that is aspirational and provides opportunity to a wide range of people currently priced out of the private market – including young families and elderly renters, as well as those hit by homelessness. Analysis from Capital Economics makes a compelling case for the economic benefits of such an investment, finding that most of the initial cost to government **is recouped through savings to housing benefit** and increased tax revenues.

➤ Policy background: the decline in social housebuilding

Recent years have seen record low levels of social housing delivery. **Only 6,463 more social homes were delivered last year**. This stands in stark comparison with the three and a half decades after the end of the Second World War, when local authorities and housing associations built 4.4 million social homes at an average rate of more than **126,000 a year**.

Serious social housebuilding was curtailed after 1980, as local authorities' ability to build and manage social housing was restricted. In 1980, **94,140** social homes were built. Recent governments have pursued policies to transfer existing social homes into private tenures, seeing social housing as only for those in the highest need. By 1983, supply **halved to 44,240** new social homes. The combined effect of the loss of stock and failure to replace it has been a significant reduction in the absolute number of social homes. There are around **1.5 million fewer social homes today** than there were in 1980.

➤ **Policy background: affordability crisis and rising homelessness**

Despite significant policy intervention, homelessness is rising. The number of households living in temporary accommodation and the number of people sleeping rough on any given night has risen for the last five years. Rough sleeper counts show that **over 4,000** people sleep rough on a given night. Since 2010, the number of people sleeping rough has **almost trebled**.

Homelessness is broader than rough sleeping. Overall, **277,000 people are homeless in England** on a given night. Most people who are homeless are not on the street but sofa surfing or accommodated in emergency or temporary accommodation.

- The number of people who are homeless in temporary accommodation **has risen by two-thirds** since 2011.
- The amount councils spend on TA for homeless households has **increased by 71%** in the last five years and cost them more than **£996 million in 2017/18**.
- Prior to the fire at Grenfell, there were **1,844 homeless households in temporary accommodation in Kensington and Chelsea** alone.

The need to build more homes is now widely acknowledged and agreed upon by politicians across the political spectrum. These days, the prospect of saving for a deposit for a home isn't just a far-off dream; for many it is nigh on impossible. Not only are house prices prohibitive but soaring private rents can make it difficult to sustain a tenancy.

- Homeownership in England is now at its **lowest level for 30 years**. The percentage of homes that are owned has fallen from 71% a decade ago to 63% now.
- The average home in England in 2017 cost **almost eight times more** to buy than the average annual pay packet.
- The average share of income that young families spend on housing **has trebled over the last 50 years**.

The steep decline in social housing and a fall in home ownership has led to a heavy reliance on the private rented sector, and the rationing of who gets to live in the social homes we do have. The number of people living in the private rented sector has **doubled over the past 20 years**. The cost of housing, which has risen faster than incomes, has put immense financial pressure on many people:

- Private renters **on average spend 41%** of their household income on rent
- The majority (**57%**) of private renters **say they struggle** to cover housing costs
- **1 in 3 low-earning renters** are having to borrow money to pay their rent. **800,000 people** who are renting can't even afford to save **just £10 a month**

Commission recommendation: new, separate consumer regulator for social housing

Another key recommendation of the Commission was the **creation of a new, separate regulator of social housing**. This reflects the call of Grenfell United, who have argued for a radical shake-up in the way social

housing is regulated. The millions of people who rent homes owned by a council or housing association need a strong regulator which is solely focused on protecting their health, safety, and well-being.

The commission heard of the difficulties encountered by residents living in Grenfell Tower over many years in trying to get their voices heard, and how the many complaints and concerns raised about poor conditions were met with a lack of urgency. Residents talked about feeling unsafe, frustrated, angry, and disempowered prior to the fire. This feeling was echoed by tenants across the country, repeated throughout the **32,000 survey responses** received by the Commission and through workshops with tenants.

A strong voice for social renters matters because they cannot use consumer power to ensure they receive a good service. Tenants shouldn't have to move home because they're unhappy with their landlord's services – and, even if they wanted to, the chronic lack of supply, means they have few options to move elsewhere

When the Commissioners spoke to social renters and other organisations, there was widespread appetite for a regulator with more 'teeth'. This is seen as a workable and effective solution to pressing problems in the social housing sector.

This is not the first time that government has needed to step in to protect consumers after perceived regulatory failing led to deaths, scandals and a loss of faith:

- Following the **2007/8 financial crisis**, the government decided that the prudential regulation of banks must be separated from protection of consumers. The **Financial Conduct Authority** was designed to make sure people using banking and insurance products get a fair deal.
- Following a series of **high-profile food deaths**, the government separated the regulation of the food industry to set up the **Food Standards Agency**, ensuring people can trust that the food they buy is safe and decent. The Food Standards Agency works with local enforcement officers to ensure standards are met.

At the heart of this regulatory reform was the insight that it is difficult for regulators to play a dual role, both overseeing the economic sustainability of a sector and its treatment of customers. One role will inevitably crowd out the other in terms of organisational priorities, knowledge, and skills. In social housing, consumer standards regulation has taken second place to financial regulation of social housing providers.

It is crucial that a new regulator for social housing must be separate, if tenants are to have faith that their concerns and needs are being considered equally. Even with proactive inspection and regulation of consumer standards, there may be problems because this could lead to conflicting priorities for the regulator. A regulatory focus on the growth and sustainability of the sector may crowd out regulation to protect residents. Two years on from the Grenfell Tower fire the government must act urgently to protect social tenants and ensure their voices are heard.

If you would like more information, please contact poppy_terry@shelter.org.uk or 0344 515 2274.

The Shelter logo consists of the word "Shelter" in a white, sans-serif font, centered within a solid red rectangular background.