

# Grenfell foretold: a very neoliberal tragedy

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## Introduction

At around 12.50am on 14 June 2017, a fire broke out on the fourth floor of Grenfell Tower, a 24-storey public housing tower block in North Kensington, London. Ten minutes later, firefighters were handling an apparently routine job – Grenfell had been designed to contain fires from spreading. However, within 15 minutes flames had reached the top floor, and shortly after the whole building was ablaze. It would take 250 firefighters, 70 fire engines and 60 hours to extinguish the fire that killed 72 people and made 208 households homeless. The fire's rapid spread was immediately linked to cladding recently fitted during a recent refurbishment scheme about which Grenfell Tower residents had made repeated fire safety warnings to various public agencies to no avail (Architects Social Housing, 2017). Attention focused on the main contractor, Rydon, the chain of private companies that fitted the cladding, the Conservative-controlled local authority – the Royal Borough of Kensington and Chelsea (RBKC), which owned Grenfell Tower – and the arms-length company, Kensington and Chelsea Tenant Management Organisation (KCTMO), that managed the homes. Nine days after Grenfell, 800 homes in five public housing tower blocks on the Chalcots Estate in Camden, London, also refurbished by Rydon between 2006 and 2011, were evacuated, and soon hundreds more tower blocks across England were deemed a fire risk as cladding samples failed government-ordered tests.

In the aftermath of Grenfell, a more fundamental political question was soon posed: how, less than a decade after the deadly Lakanal House fire in Southwark that had prompted calls by the investigating authorities for fundamental changes to building regulations, could this have been possible? With the Conservative government floundering after a disastrous snap General Election, an emboldened Labour Party began shifting the focus onto the political and structural causes of the tragedy. Labour's Shadow Chancellor, John McDonnell, claimed the victims were 'murdered by political decisions that were taken over recent decades' including housing privatisation, deregulation and recent cuts to local authority and fire service budgets under the Conservatives' austerity programme (BBC, 2017a). McDonnell was evoking the concept of 'social murder' that Friedrich Engels had first articulated in *The Condition of the Working Class in England in 1844* to capture the mass of premature yet preventable deaths among the industrial working class at the hands of unregulated capitalist exploitation and state indifference:

'...when society places hundreds of proletarians in such a position that they inevitably meet a too early and an unnatural death... [and] knows that these thousands of victims must perish, and yet permits these conditions to remain, its deed is murder just as surely as the deed of the single individual...' (Engels, 1845[2008]: 95).

Although the Grenfell disaster raises the enduring issues of class and race inequalities in the UK with the vast majority of the dead of non-white ethnicity (Whitehead, 2017), this chapter will focus on the main 'political decisions' that guided public policy over the past four decades that arguably contributed to the Grenfell disaster and the subsequent discovery of other "Grenfells in waiting". Three specific yet interconnected policy drivers are discussed in the following order: the planned destruction of the post-war public housing model that built Grenfell Tower under policies of privatisation, demunicipalisation, and commercialisation that enacted the unaccountable public-private-partnership vehicle under which Grenfell Tower was renovated; the interaction between the long-term drive to deregulate business, particularly with respect to the building industry, and the more recent cuts to public expenditure that compromised fire safety and neutered residents' agency; and the wider urban processes of gentrification-based housing market restructuring, most extreme in London, that arguably underpinned Grenfell's largely aesthetic renovation and fuelled the housing crisis that Grenfell's homeless survivors now find themselves in.

All of these political decisions and processes were either led or informed by the disastrous ideas of neoliberalism, namely the "market revolution" in public policy since the 1970s global economic crisis inspired by Hayek (1960) and Friedman's (1962) urges to liberate both capitalist enterprise and individuals from state intervention in favour of a social order driven by unrestrained economic competition between private firms for consumer markets and profit. This anti-collectivist philosophy has driven the continual rolling-back of post-war working class gains once embedded in the Keynesian Welfare State era through policies aimed at the (re)commodification of all spheres of economic and social life with housing taking centre-stage (Marcuse and Madden, 2016). Given that warnings about the disastrous consequences of these policies have gone largely unheeded over many decades, I conclude that while the fire may have been *accidental*, the destruction of Grenfell and the lives of its residential community was very much a modern day act of social murder, and must mark a radical turning point in policy-making towards restoring housing stability, security and safety for all in law.

### **The slow death of public housing**

Public housing developed out of the long struggle for decent housing over the 19<sup>th</sup> and 20<sup>th</sup> centuries forged in the Victorian working class slums of unregulated private landlordism and capitalism (Englander, 1983). From 1875 onwards, an emergent cross-

party consensus on the need for state intervention, famously enshrined in the 1919 'Homes for Heroes' programme, saw local authorities gradually empowered and financed to demolish slums, borrow to purchase land, and build public housing for rent, as well as regulate new developments and plan for housing need (Cole and Furbey, 1994). A post-war housing "arms race" between Conservative and Labour governments produced a massive state-financed public house building programme. Although private home ownership became the dominant tenure over the course of the 20th century, by 1979, public housing had grown to 6.6 million homes, a third of the UK's total housing stock, making it a mainstream rental alternative to home ownership and private landlordism for 40% of the population (Hills, 2007).

Grenfell Tower was completed in 1974 during the last major wave of slum clearance and improvement as part the 1000-home Lancaster West public housing estate in North Kensington. It represented a dramatic improvement for residents in an area of West London once home to the notorious private slum-lord of the 1950s and early 1960s, Peter Rachman, whose exploitation, harassment and unlawful eviction of tenants, especially West Indian immigrants, led to the term Rachmanism. With its iconic 'brutalist' design, 67 metre height, and solid concrete structure, Grenfell symbolised the high-rise phenomenon of post-war building that between 1955 and 1975 built nearly 440,000 tower blocks, the vast majority in inner urban areas (Dunleavy, 1981). The architectural and construction quality of high-rise towers has attracted longstanding critique. The 1968 Ronan Point disaster in East London in which a new 21-storey tower block partially collapsed following a gas explosion, killing four people, highlighted inadequate building regulations, insufficient public funding, and the corrupting influence of major building companies promoting profitable (i.e. cheap) industrialised systems of prefabricated building. Paradoxically, the resulting policy changes meant Grenfell Tower was built to far higher design and construction standards.

#### *Privatisation and permanent austerity*

Despite its variable quality and valid critiques of municipal landlord-tenant relations, public housing like Grenfell Tower transformed housing conditions as part of a wider post-war housing-welfare consensus that the state should provide for the poor, meet housing need, regulate private sector tenancies and rents, provide secure and affordable tenancies, and rehouse vulnerable homeless groups (Malpass, 2005). However, in the 40 years since Grenfell's construction, public housing in the UK – and England in particular since devolution after 1999 – has changed beyond recognition. Most striking is its decline to less than 8% of the overall housing stock with a net loss of 4.5 million homes (DCLG, no date, a). This transformation stems from the 1979 electoral victory of Thatcherism that brought the proactive application of a neoliberal project to create a property-owning

democracy in which public housing would be privatised and the state would guarantee an 'ambulance service' for the genuinely 'weak' (Harloe, 1978).

Privatisation was spearheaded by giving tenants a statutory Right to Buy (RTB) their council homes at large discounts in 1980, which laid the basis for the subsequent sale of 2.5 million homes (Murie, 2015).<sup>1</sup> While Grenfell Tower had arguably survived the privatisation assault – only a handful of flats were sold under the RTB – the disastrous chain of events leading up to the fire reflect the 'neoliberal straitjacket' (Hodkinson, 2011a) placed on public housing since 1979. One arm of this straitjacket has been *permanent austerity* (to varying degrees over time), with funding cuts, caps, and conditions curtailing local authorities' ability to build new housing and adequately maintain, repair, and modernise their existing housing stock (Davis, 2013). Consequently, more than 85% of homes sold under RTB UK-wide have never been replaced. Although New Labour partially relaxed local borrowing controls after 2004 to enable local authorities to address the estimated £23 billion housing repair backlog, it blocked a return to public house building. These controls largely remain despite the introduction of 'self-financing' under the 2011 Localism Act which was originally sold to English local authorities as a vehicle for making long-term investments in their existing and new public housing stock. As a result, less than 9000 new public housing units were started between 2012 and 2016 compared to over 100,000 started in 1974 when Grenfell Tower was opened (DCLG no date, b).

#### *Demunicipalisation and commercialisation*

Another arm of the neoliberal straitjacket on public housing not privatised by the RTB has been *demunicipalisation*. Both Conservative and Labour governments set about breaking up what they saw as an undesirable 'municipal monopoly' model of local authorities acting as both developer and landlord, directly responsible for the design, construction, management and maintenance of the public housing stock, using in-house Direct Labour Organisations or more typically tendering work to the private sector (Cole and Furbey, 1994). One route has been the diversion of government subsidies for new social house building from local authorities to charitable housing associations (Registered Social Landlords (RSLs)), and, since 2008, for-profit providers (David, 2013). Around 750,000 social rented homes have been built UK-wide by housing associations on less secure tenancies and at higher rents than public housing on average. Various initiatives have also sought to transfer the management, repair, and ownership of public housing to independent, charitable and for-profit private landlords and contractors.

For instance, as part of its 2000-2010 Decent Homes programme in England to ensure minimum standards in the social housing sector, New Labour made desperately-needed

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<sup>1</sup> The Right to Buy was abolished in Scotland in 2016 and Wales in 2017.

funding conditional on local authorities agreeing to one of three options: (i) selling-off their housing to RSLs, subject to a successful statutory ballot of tenants who were told that voting no would mean no investment in their homes; (ii) establishing an 'Arms-Length Management Organisation' (ALMO) owned by the local authority but run as a separate company to manage its public housing stock; or (iii) contracting out a discrete regeneration scheme to a private sector consortium for up to 30 years under the Private Finance Initiative (Hodkinson, 2011b). This context helps to explain why the management of Grenfell Tower was initially transferred in 1996 to a tenant management organisation - KCTMO – with tenants elected to the company board as a way of protecting residents from the planned privatisation of housing management under the Conservatives' Compulsory Competitive Tendering regime (Apps, 2017); and why, in 2002, KCTMO itself was transformed into an ALMO in order to access Decent Homes finance (Apps, 2017).

Over time, the ever-fragmented social housing sector in England has been increasingly commercialised, with both providers and tenants further exposed to market forces. Between 2002 and 2016, council and social housing rents were increased above inflation as part of a harmonisation policy aimed at convergence towards the local private market average. Under the Coalition Government, capital funding for affordable housing was cut by 60% between 2010 and 2015, and subsidy for new social rented housing diverted into a new 'Affordable Rent' tenure on fixed-term tenancies that can reach 80% of local market rents. At the same time, there have been major cuts to welfare support for housing costs in both private and social rental sectors since 2010 that we discuss later in the chapter. Since 2015, social landlords have had the legal power to charge market rents to tenants with a household income of over £60,000. The 2011 Localism Act also abolished new council tenants' statutory right to a secure lifetime tenancy, leaving it to local discretion, and ended statutory homeless people's right to a lifetime social housing tenancy by allowing local authorities to discharge their duty by offering private sector accommodation for a fixed term of at least 12 months. The 2016 Housing and Planning Act went further, making it mandatory for local authorities to grant fixed-term tenancies of between two and 10 years (Davies and Compton, 2016).

Over the past four decades, neoliberalism's recommodification of home has transformed the public housing model from an imperfect form of 'housing commons' into a highly financialised world of 'housing assets', owned, managed, and periodically regenerated by commercial organisations where board members are legally obliged to act in the interests of the company, not the wider resident body (Goulding, 2018). The analysis now turns to ways in which the neoliberal policies of austerity, deregulation and outsourcing may have interacted with this privatisation context to produce the Grenfell disaster.

## **A deadly renovation**

Although Grenfell Tower received some investment under Labour's Decent Homes programme, between June 2014 and July 2016, a major renovation project took place to fit new cladding, double-glazed windows, and heat and hot water systems, reconfigure the existing nursery and boxing club, create two additional floors of housing, and improve the outdoor public realm. Four main companies were employed to partner with the local authority and KCTMO: French-owned Artelia UK managed the project; Studio E Architects designed the scheme; Max Fordham advised on the building's thermal insulation; and Rydon acted as the main refurbishment contractor. Significantly, Grenfell Tower residents repeatedly warned of fire safety fears before, during, and after the refurbishment, and in November 2016 made this chilling prediction online about their future:

'It is a truly terrifying thought, but the Grenfell Action Group firmly believe that only a catastrophic event will expose the ineptitude and incompetence of our landlord, the KCTMO, and bring an end to the dangerous living conditions and neglect of health and safety legislation that they inflict upon their tenants and leaseholders... It is our conviction that a serious fire... is the most likely reason that those who wield power at the KCTMO will be found out and brought to justice!' (Grenfell Action Group, 2016).

The devastating fire that residents foretold began from an exploding fridge-freezer that residents suspect was caused by the faulty electrical system first reported in 2013 (Hosken, 2017). Instead of being contained within the flat in line with Grenfell's original design, the fire managed to spread rapidly to the tower's new external cladding, trapping residents in the upper storeys. The cladding's combination of low fire resistant aluminum panels with a combustible polyethylene plastic core and long air cavities within the physical structure appears to have then fuelled the fire (Architects for Social Housing, 2017). Survivors report that two-thirds of the recently installed gas pipes were not covered in fire resistant material, and that both the and central fire alarm and emergency fire escape lights failed causing them to scramble and fall in the pitch black stairwells (Doward, 2017).

### *Austerity and the race-to-the-bottom*

As the opposition Labour Party has suggested, the deficit reduction policies of austerity undoubtedly played some role in the tragedy. Local government has been most affected with grant cuts of nearly 40% to councils in England, leading to an overall 26% reduction in local budgets in real-terms between 2009/10 and 2016/17 albeit with large variations by authority and region that have hit the poorest local authorities and places hardest (Institute for Fiscal Studies, 2016; Beatty and Fothergill, 2016). Government spending cuts have particularly hurt non-ring-fenced regulatory services such as Building Control,

Planning, and Environmental Health: between 2010 and 2015 funding for stand-alone fire and rescue authorities fell by an average of 28% in real terms, savings predominantly coming from reduced staffing, audits, inspections and fire risk checks (National Audit Office, 2015). Fire safety checks in tower blocks fell 25% in the most recent 5 years (Tombs and Whyte, 2017). These cuts may well have undermined both local authority and fire service inspections at Grenfell Tower as despite being one of the world's wealthiest and least deprived geographies, RBKC has experienced a 38% cut in government funding over this period and contains some of the 10% most deprived areas in the country, including the Lancaster West Estate.

Austerity was also a factor in the Coalition and Conservative governments' refusal to lift borrowing caps on local Housing Revenue Accounts. This apparently left a £46m shortfall in Kensington and Chelsea's housing maintenance budget for 2015-2020, reducing the Grenfell Tower renovation budget to £9.7 million that was funded mainly from the private market sale of 23 flats created from converting basements in existing council houses elsewhere in the borough (Apps, 2017). While this budget was deemed too low by two separate contractors, Rydon's bid of £8.7 million offered 'the most economically advantageous tender' (RBKC, 2014b). Crucially, it has been reported that in June and July 2014, political pressure by RBKC on KCTMO to cut costs led to the replacement of non-combustible zinc panels with fire-retardant cores with cheaper, more combustible cladding, saving a further £293,000 (O'Neill and Karim, 2017). Austerity thus created the 'value-engineering', race-to-the-bottom environment of doing 'more with less' seen across the public sector in which a cheaper, flammable cladding was chosen to meet spending targets.

#### *Fire safety: a casualty of self-regulation?*

If austerity influenced the decision to change the cladding, Grenfell has raised more fundamental questions about the fitness and enforcement of building and fire safety regulations. Grenfell's cladding failed government-ordered tests less than nine minutes into what should have a 40 minute resistance (Cook, 2017). The government has stated the cladding did not comply with Approved Document B of the UK's Building Regulations 2010, which states that the 'external envelope of a building should not provide a medium for fire spread' in buildings over 18 metres high (Richards, 2017). Identical and similar forms of combustible cladding have since been removed from many tower blocks across England. However, alternative analyses of Approved Document B suggest that the cladding was lawful because of ambiguous wording in the regulations (Ledbetter, 2017). Moreover, while separate components may meet regulations, the testing regime and regulations have hitherto failed to assess the safety combinations of materials in relation

to the building's original design (Webb, 2017). Crucially, the Grenfell refurbishment works passed all relevant local authority Building Control inspections (Booth, 2017).

In the thirty years prior to the disaster, these regulatory failures were foretold in at least seven major fires and 11 deaths in high-rise council tower blocks linked to flammable cladding across the UK, each time generating the same three demands: the fitting of sprinkler systems to all new and existing blocks; clear rules that require cladding to be non-combustible and actively resistant to the spread of fire; and consistent, appropriate and published guidance to residents over whether to 'stay put' or 'get out' in the event of fire (Webb, 2017). However, while governments in Scotland and Wales have taken steps to address some of these issues under their devolved powers (Huckle, 2017), England has taken a markedly different approach. For instance, sprinklers are still only required in new-build residential tower blocks higher than 30 metres with no requirement for retrospective action, compared to any new building above 18 metres in Scotland since 2005, and all new or refurbished residential buildings in Wales. A BBC Panorama investigation revealed that the All-Party Parliamentary Fire Safety and Rescue Group of MPs had privately warned four separate government ministers about the need for urgent action since 2013, each time being rebuffed (BBC, 2017b). The government's opposition to new building regulations was illustrated in comments made by a government minister, Brandon Lewis MP, during a Parliamentary debate in February 2014 on Fire Sprinklers Week:

'We should intervene only if it is entirely necessary, and only as a last resort... We believe that it is the responsibility of the fire industry, rather than the Government... to encourage their wider installation...' (Hansard 6 February 2014 col 188).

In line with Wacquant's (2010) figure of the "centaur state" that rewards those at the top whilst punishing the poor, this ideological refusal to re-regulate business reflects the neoliberal 'regulatory orthodoxy' championed by Thatcherism but systematically rolled out under New Labour's Better Regulation programme since 1997 aimed at 'removing the "burden" of inspection from most premises' (Tombs, 2016a: 116). Following recommendations from the government-appointed 2004 Hampton Review of regulatory inspection and enforcement (chaired by a leading business figure, Philip Hampton), regulation was shifted to a default position of a risk-based model in which businesses would be made legally responsible for ensuring their own compliance with regulations, including fire safety, with the threat of detection and prosecution negligible. A key plank of self-regulation has been the roll-out of 'self-certification' for compliance with building regulations since 2002. An estimated 85% of all building work that previously required either local authority or approved private sector inspectors to inspect and certify for a fee is now self-certified without charge under competent person schemes where contractors are registered and thus approved by a professional body (DCLG no date, c). Similarly, since

October 2006 the first line of responsibility for fire safety enforcement in England and Wales passed from the fire services authority to the responsible person for each building – the owner, landlord or managing agent (The Regulatory Reform (Fire Safety) Order 2005).

The Coalition and Conservative Governments have continued to construct this self-regulatory regime under their 'Cutting Red Tape Programme', including: the 'One-in, Two-Out' rule where for every pound of additional net cost imposed on business by new regulations, other regulation must be cut by two pounds; the 2012 abolition of the Tenant Services Authority (TSA), which had regulated 'consumer' standards in social housing; the 2015 abolition of the Audit Commission, which has weakened auditing and enforcement against fraud and poor value for money in local government; and a 46% cut in the budget of the Health and Safety Executive between 2009/10 and 2019/20, reducing its capacity to investigate complaints about unsafe workplace practices by companies (Applebey, 2016). Overall, in the decade spanning these reforms and the onset of austerity (2004-2013), research has found 'a long-term downwards trend in every form of enforcement activity' by statutory regulators (Tombs, 2016b: 4).

The rise of self-regulation, long sub-contracting chains of private companies, and austerity appear to have interacted in deadly fashion in the Grenfell Tower disaster. Self-certification has been linked to insufficient compliance with Building Regulations (DCLG, 2012: 5) as well as major health and safety failures in public buildings constructed under largely self-monitored PFI contracts (Public Finance, 2017). The ability of Building Control inspectors to check cladding systems and the standard of workmanship, or for landlords and contractors to identify who the designated fire risk assessor is in large renovation projects, has become increasingly difficult with a complex chain of contractors self-certifying a large part of their own work and no single contractor or authority having oversight of all the works. This complexity is illustrated by reports that the London Metropolitan Police has identified no less than 383 companies involved in the construction or refurbishment of Grenfell Tower (Barratt, 2017). Government funding cuts are creating additional pressures on local authority building control teams to win contracts against private companies with speed of sign-off taking priority over rigorous inspection (London Fire and Emergency Planning Authority, 2014).

Grenfell residents repeatedly warned KCTMO, the local authority, and the fire services of their safety fears, yet were largely ignored. Incredibly, several residents were threatened with legal action over making their claims public (Fifield, 2017). In reality, the residents of Grenfell Tower, like all council tenants, had very little legal power to pursue their concerns. Following the 2004 Housing Act and its risk-assessment approach to housing safety – the

Housing Health and Safety Rating System (HHSRS) since April 2006 – there has in effect been no minimum legal fitness standard for rented housing in England. Tenants can therefore only take legal action for any of 29 defined ‘hazards’ if they are caused by disrepair or relate to a relevant tenancy term (Huckle, 2017). Moreover, as singular legal entities, local housing authorities’ Environmental Health Officers who have enforcement and prosecution powers to tackle unsafe rental housing, are unable to take action against themselves, only private and Registered Social Landlords (Peaker et al, 2017). Despite KCTMO being an independent company, Grenfell tenants thus had no protection against fire safety hazards from their local authority landlord:

‘The KCTMO manages the Council housing stock and as such the Council cannot take enforcement action against it. The Council’s Environmental Health Team can however speak to the KCTMO on a tenant’s behalf to try to address any problems informally.’ (RBKC, no date).

Labour MP Karen Buck’s Private Member’s Bill in 2015-16, and Labour amendments to the Housing and Planning Bill 2015-16, sought to reintroduce a ‘fitness for human habitation’ test to all rental accommodation in England. These initiatives were defeated by Conservative MPs with the official government line that they would ‘result in unnecessary regulation and cost to landlords’ (Jones, 2016).

### **Placing Grenfell: gentrification, social cleansing and the housing crisis**

Grenfell has also drawn attention to the increasingly contested nature of urban regeneration and the wider housing crisis. Grenfell Action Group was in fact formed in 2010, long before the Tower refurbishment, by local residents opposed to plans for a new secondary school that would remove a large part of Lancaster West Estate’s existing green space used by Grenfell Tower residents who lacked balconies or private amenity space (Grenfell Action Group, nd). The struggle soon widened to the local authority’s proposed 15-year comprehensive redevelopment of the 1800 homes on the Lancaster West and Silchester council estates in order to unlock land for ‘high-end, high-value market housing’ and ‘maximise the overall value’ of the wider area (Urban Initiatives, 2009 p.5). Grenfell Tower was originally earmarked for demolition because its mono-tenure population and architecture were held to ‘blight’ the local property market. RBKC eventually opted to retain and refurbish Grenfell Tower, arguably due to the development viability problems after the 2008 global financial crisis and housing market crash. However, for Grenfell Action Group, the masterplan was proof RBKC and KCTMO wanted to ‘socially cleanse’ their working class residents out of central London. In this context, the cladding of Grenfell Tower was perceived as less about thermal efficiency and more about aesthetic beautification to support the council’s wider regeneration and housing market plans (Architects for Social Housing, 2017).

The displacement pressure felt by Grenfell and other local social housing residents speaks to a much wider spatial frame of speculative urban development and social cleansing in London under the logics of what the late Neil Smith (2002) called 'state-led gentrification'. This approach underpinned New Labour's urban regeneration policies after 2000 with their mantra of 'social mixing' and 'tenure diversification' aimed at bringing the middle classes back to the city. Urban regeneration schemes explicitly stigmatised the residents and architecture of public housing estates, most notably dozens of large post-war inner urban London estates characterised by brutalist design, before targeting them for wholesale demolition and regeneration as predominantly private housing (Lees, 2013; Watt, 2009). This agenda was continued under David Cameron's short lived 'sink estates' policy announced in January 2016 to pump-prime the demolition and redevelopment of the UK's worst 100 estates, specifically targeting the 'brutal high-rise towers and dark alleyways that are a gift to criminals and drug dealers' and which he said were behind the 2011 riots in several UK cities (Cameron, 2016).

Housing and austerity policies since 2010 have accelerated this trend in London, in part due to extreme house price and land value increases that have made it the second most over-valued property market in the world and a target for increased demand from profit-seeking investors (Minton, 2017). With slashed council budgets meeting high real estate values, many London urban authorities, mostly Labour-run, are now seeking to expand the overall housing supply and raise finance for other services at the expense of affordable and secure housing through demolition and redevelopment of almost exclusively luxury private housing for sale or rent. A London Assembly Housing Committee (2015) report found that 50 estates subject to regeneration from 2004 to 2014 saw a *net loss* of around 8300 social rental homes while the total number of homes almost doubled due to a massive increase in market provision. Some local authorities, such as Lambeth and Barnet, are even setting up their own for-profit Local Housing Companies outside of their housing revenue accounts to become speculative developers of private housing for sale and rent themselves (Beswick and Penny, 2017).

This gentrification-based regeneration and the speculative effects of foreign investment are part of a wider a housing crisis that affects all tenures. Despite historically low mortgage interest rates, home ownership is currently at its lowest level in England since 1985, falling from its 2003 peak of 71% to 63% in 2015-16 (DCLG, 2017). Unaffordable home ownership and privatisation have driven the private rental sector, which was deregulated in 1988, to more than double in size over the past two decades, with around 36% of former council homes sold under the RTB in London now owned by buy-to-let landlords (Copley, 2014). High demand has seen average private rents rise to 35% of household income, compared to 18% for average mortgage costs: almost one in seven

private renters spends over half their income on rent (LGA, 2017). This picture is set to deteriorate further as the RTB has been reinvigorated in England since 2012 with the Coalition and Conservative Governments increasing maximum discounts from £38,000 to £104,900 in London and £78,600 elsewhere. The Housing and Planning Act 2016 introduced a new privatisation front in England – the sale of Vacant Higher Value Local Authority Housing – which will force local authorities to sell on the open market all council houses located in an as yet undefined top price tier of the local housing market once they become empty (Davies and Compton, 2016).

The growing mismatch between housing costs and incomes is partly a function of the lowest peacetime building output at the hands of the ten largest building companies who currently control around half of all housing production (compared to just 9% in 1960), deliberately restricting supply as to increase the price of new housing and make large profits (Archer and Cole, 2016). But it is also driven by the impact of austerity on the demand side, with falling average real wages since 2008 further undermined by huge welfare cuts since 2010 that will reach £27bn a year by 2021 – equivalent to £690 a year for every working age adult (Beatty and Fothergill, 2016). Nearly 90% of council tenants on the Universal Credit system are in rent arrears (National Federation of ALMOs, 2017) and a record number of official evictions are taking place, up by a third between 2010 and 2016 to over 40,000 a year (Clarke et al, 2017). Homelessness has risen by nearly 60% since 2009 (Shelter, 2017), pushing over 120,000 children into temporary accommodation (LGA, 2017). Shelter (2017) predicts that by 2020 over a million households in the UK could be put at risk of homelessness unless the current uprating freeze on housing benefit levels is lifted. This housing insecurity crisis is most acute in London where average house prices and rents are more than double the rest of England and almost 40% of all evictions take place. When combined with welfare cuts and the growing shortage of social housing, an unprecedented social cleansing is in motion. Indeed, housing benefit cuts for private sector tenants have been explicitly linked by ministers and civil servants to forcing those dependent on welfare to lower-value areas (Powell, 2015). Tens of thousands of London households in temporary accommodation are being moved other local authority areas each year, most within London, but a growing proportion to other cities and regions, including Newcastle Upon Tyne (Greenwood, 2017).

But the London housing crisis that faced the 255 survivors of the fire, many bereaved and suffering from post-traumatic stress, was arguably the most extreme. Kensington and Chelsea is home to the highest average house prices in the UK at £1.4 million (Office of National Statistics, 2017), and the most expensive street in the UK with an average property price of £35.6 million (Odams, 2017). The borough's status as a destination for foreign property investment has led to 1,652 homes being left empty by distant owners

treating them only as a pure financial asset (Batty et al, 2017). Since 1979, the Borough has lost around a quarter of its public housing stock to the RTB and existing shortages mean that 72% of homeless households placed in temporary accommodation by the council are housed outside of the borough (Trust for London, 2017). This is why, six months after the fire, only 42 out of the 208 households made homeless had been permanently rehoused; the rest remaining in temporary accommodation at the time of writing (Gentleman, 2017). In a final twist of cruelty, a small number of migrants resident in Grenfell Tower at the time of the fire have not made themselves known to the authorities because of their fear of being deported and are reportedly sleeping rough.

## **Conclusion**

In this chapter I have argued that the structural drivers and policy failures behind the Grenfell Tower disaster were rooted in the neoliberalism's decades of policy dominance in the UK. It was neoliberalism that: produced the now ubiquitous privatised model of housing regeneration with for-profit companies empowered to operate long, badly-monitored sub-contracting chains under a regime of self-certification and privatised governance; rolled back health and safety protections previously embedded in building regulations and planning controls; enabled the recommodification of housing under privatisation and the gentrification of urban policy that has created an acute shortage of affordable and secure housing for the Grenfell survivors; and created the corporatised structures of housing management that put money before the warnings of residents. If this was a disaster foretold, not just by the Grenfell residents but also the long lineage of neoliberalism's discontents, then perhaps Grenfell will also represent the moment in history when policy changed course. Policy makers must now ensure that all homes are both secure and safe to live in and that residents' voices are democratically enshrined in housing governance. This means restoring the main features of the public housing model set out in this chapter, and regulating the private rental sector again. But post-Grenfell, better quality housing requires that we overhaul all building and fire safety regulations, regulate the construction industry and ensure that standards are enforced for all existing and new homes of all tenures. That means ending the neoliberal disaster before it kills again.

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