

Summer 2017

Grenfell – a watershed moment for social housing?

– *Sam McGrady, Director, DTP*

The watershed moments that jolt our national consciousness are all too often defined by tragedy. Whether it's the Bradford Stadium fire, the Herald of Free Enterprise disaster, the terrorist attacks of July 7th 2005 or, further back in time, Aberfan, large scale loss of life scars our collective story.

And so to this grim list we must now add the Grenfell Tower fire of summer 2017. For the social housing community, this appalling event may well prove to be our own watershed moment.

A few weeks after the fire, conversations with senior housing professionals for our regular Weather Forecast Group survey inevitably turned to the recent disaster in the borough of Kensington and Chelsea. We hadn't intended it to; it wasn't on our list of discussion topics. But it was impossible to talk with our survey group about current issues without it coming up.

One contributor described Grenfell as a potential wake up call for all those who worked in the sector. While different language was used, others spoke in similar terms.

There was a recognition that we are still in the early stages of the fire's aftermath. It will be some time before the inevitable lessons are fully learned. The public inquiry hasn't started, meanwhile the media continues to contribute varying degrees of insight, with the usual rush to blame rather than understand.

We are certainly a long way off understanding the technical implications of the tragedy, around issues such as building regulations, retrofitting (of sprinklers, for example) and fire assessment regulations.

The all important issue of cladding featured prominently in our discussions, with many anticipating far reaching consequences for how we approach building control, purchasing and procurement and contract management.

One observation reflected the experience of many perhaps when pointing out that cladding schemes had largely been delivered to achieve laudable sustainability objectives – to increase energy efficiency, cut tenants' fuel bills and reduce condensation. Removing cladding would potentially wipe out all these gains at a stroke.

The implications for regulation remain uncertain; however most anticipate some kind of review at some point, with a particular focus on consumer standards and health and safety compliance. And generally across the sector, it was felt there had to be a corresponding shift away from focusing solely on price and efficiencies – at the expense often of quality and perhaps even safety.

The tenant/landlord relationship was also a subject of reflection for many of our contributors. Grenfell had caused some to question how we listen to and consult with customers. Recent years had perhaps, some thought, seen too much focus on finance and governance and not enough on services and tenant experience. Basic housing management must also improve in the wake of the tragedy.

Grenfell appears to also be prompting some to reflect on the increasingly swift moves towards 'channel shift' in the way we deliver services, meaning less face to face encounters and more digital interaction. Several interviewees said they no longer felt as close to tenants as they used to.

All agreed the potential for major reputational harm for the sector from Grenfell was real and apparent. Local and central government, the fire service and social landlords were all likely to face criticism. But in the absence of thoughtful analysis in much of the media, one of our landlords felt the focus should be on restoring trust with customers: "our priority is to make sure people are safe, and then to make them feel safe."

There are perhaps some less anticipated outcomes. Some, optimistically perhaps, hope that the 1% rent reduction could be relaxed in the wake of financial demands on them to carry out expensive retrofitting refurbishment programmes or large scale cladding removal. Likewise, government policy to cap HRA borrowing could come under pressure – for the same reason. More focus on asset management of existing stock is likely to be another consequence – which many felt would not be a bad thing, after years of an almost exclusive focus on new supply.

For our landlords with high rise accommodation in their portfolio, the implications of Grenfell will inevitably be more far-reaching. There appear to be so many arguments against tower blocks – from a cost and safety point of view – that some even talked, apocryphally perhaps, about the end of high rise living in the UK.

Question marks also remain about the future of new build high rise schemes. With 220 tower blocks with planning permission but not on site yet in London alone, this could have serious implications for the delivery of new build targets.

As the story of Grenfell continues to unfold, and as the public inquiry begins to hear evidence, I'm sure the consequences for the social housing sector will become clearer. Whether such clarity will make it any easier for the sector to absorb those lessons remains to be seen. One thing is certain: the mood of sombre reflection will continue for some time yet.