

*REPAIR*

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*PROTECT*

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*BUILD*

*WHAT NEXT FOR UK HOUSING  
AFTER THE TRAGEDY AT GRENFELL TOWER*



27 June 2017

# Repair, Protect, Build

## *What next for UK Housing After The Tragedy at Grenfell Tower*

This month has been one of the saddest in housing for many decades. A few days ago a tower block which had dominated the West London landscape for over forty years was consumed in a devastating fire. The Grenfell death toll has reached 79. The dead and injured over 100 men, women and children.

**“This is the deadliest fire on mainland Britain since records began. It has caused profound shock around the country and in the housing and finance industries.”**

This is the deadliest fire on mainland Britain since records began at the turn of the 20th century. It has caused profound shock around the country and in the housing and finance industries.

It was written of the previous worst residential housing event, Ronan Point in Newham 1968,

that "The explosion ... left five dead and seventeen injured. The blast also killed tower blocks as a mainspring of local authority building"

One of the lessons from the Ronan Point disaster in 1968 is that public confidence in high-rise buildings took a long time to re-build. A decade after Ronan Point collapsed, high-rise buildings were being demolished because they were unlettable. Similarly to Ronan Point, the age of the high rise may be over for a decade.

**“Similarly to Ronan Point, the age of the high risk may be over for a decade..**

**A decade after Ronan Point collapsed, high rise buildings were being demolished because they were unlettable.”**

This Report recommends:

1. Immediate action is taken for a pause, a moratorium, on any new high-rise blocks being started.
2. A review of whether existing high-rise tower blocks can be made safe or whether they should simply be demolished.
3. A sharp acceleration of housebuilding throughout the country to deliver the million homes needed, including re-housing those affected in high-rise homes.



The country's housing needs are in a very different place from when the aftermath of Ronan Point was being assessed. A million extra homes are needed right now. The events of the last few days make it all the more important that we sharply accelerate the delivery of a million homes around the country. There is land, planning permission and opportunity to do so. It needs to happen, and quickly.

In 1969 there was a projected surplus of a million homes. This stands in stark contrast to the million homes ambition to close the housing deficit in 2017.

In 1969 the Government could choose to prioritise new repair and de-prioritise new housebuilding schemes. In 2017 the Government will need to do all three – repair, protect, and also secure new homes for current and future needs.

This Report is grouped around those three themes for action: *Repair, Protect and Build*.

### Repair, Protect, Build

#### *Repair*

- The government and councils are right to allocate funding for assessment and repair work and to take immediate steps to check and remediate other similar blocks and to evacuate residents. The blocks identified at risk must be made safe and the safety review should consider whether they should simply be demolished.
- Checks should be carried out on all potentially affected buildings, including student accommodation, hotels and care homes and appropriate remediation undertaken.
- Leaseholders should be protected against the costs of remedying defective buildings. Consideration should be given to require all structural remediation costs to be met by the building block owner or the public purse.



### *Protect*

- With more than 75 tower blocks already identified as at risk, and some of those built only recently, it is right to pause on the implementation of building of new tower blocks. Public safety is paramount – a moratorium on starting to build new tower blocks would provide a space for understanding what has gone wrong and making sure that it can never happen again.
- Intervention can be complex and renewal and remediation difficult to implement in practice. Councils and Government need greater direct intervention powers, including over tenant self-managed organisations.
- Fires overall have significantly reduced but more could be done to protect householders in their homes. In 2015/16 76% of fire related fatalities and 75% of fire related casualties occurred in dwellings. Smoke alarms have reached extremely high levels of penetration in the UK, reaching 86% in 2008 alongside a strong public education campaign. There could be greater incentivisation for sprinkler systems, including direct subsidy programmes.
- Occupiers, including leaseholders, should be protected from bearing an unfair burden of additional health and safety regulatory compliance costs and such costs should be met by building block owner or the public purse.

### *Build*

- The age of the high rise may be over for a decade. One of the lessons from the Ronan Point disaster in 1968 is that public confidence in high-rise buildings took a long time to re-build. More than decade after Ronan Point collapsed, high rise buildings were being demolished because they were unlettable.
- But a million extra homes are needed right now. Housing need in 2017 is very different from that in 1968/69. In 1969 there was a projected surplus of a million homes. This stands in stark contrast to the situation in 2017 where there are a million homes required to close the housing deficit. In 1969 the Government could choose to prioritise new repair and de-prioritise new housing schemes. In 2017 the Government will need to do all three – repair, protect, and also secure new homes for previously identified housing needs of the country, as well as those in need of re-housing from the current events. The events of the last few days make it



all the more important that we sharply accelerate the delivery of a million homes around the country. There is land, planning permission and opportunity to do so. It needs to happen, and quickly.

- Government should champion a change in planning to immediately move away from high rise to low and mid-rise architectural solutions, such as those put forward over many year by global leading architects Farrells as well as Create Streets, Sir Mark Boleat and others.
- A renaissance in different design may provide an opportunity to re-balance the London housing market in order to address the imbalance in home ownership opportunities for younger people and provide more affordable housing.
- In order to meet the country's housing needs it is clear we need to look beyond the cities in the short term. Regional Local Councils hold around 70% of the opportunity to deliver new homes. They now need to step up and accelerate their work to deliver the homes the country needs.



A nation mourns.

As we mourn the dead, look after the injured and find new homes for the homeless, sober and serious conversations are taking place about the short and longer term impacts of the Grenfell tragedy on housing and housing finance in Britain.

This is the deadliest fire on mainland Britain since detailed records began.<sup>1</sup> It has caused profound shock around the country and in the housing and finance industries.

It was written of the previous worst collapse, Ronan Point in Newham in 1968, that "The explosion ... left five dead and seventeen injured. The blast also killed tower blocks as a mainspring of local authority building"<sup>2</sup>.

Similarly to Ronan Point, it is realistic to expect that the age of the high rise may be over for a decade.

The Camden Council leader, Cllr Georgia Gould, has captured the mood of the times with her simple remark "Grenfell changes everything"<sup>3</sup>.

**"Grenfell changes everything"**

Cllr Georgia Gould,  
Leader, London Borough of Camden  
23/06/2017

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<sup>1</sup> [https://www.nytimes.com/aponline/2017/06/19/world/europe/ap-eu-britain-london-fire-the-latest.html?\\_r=0](https://www.nytimes.com/aponline/2017/06/19/world/europe/ap-eu-britain-london-fire-the-latest.html?_r=0)

<sup>2</sup> The Five Giants, Nicholas Timmins, 2001, Harper Collins

<sup>3</sup> <http://www.bbc.co.uk/news/uk-england-london-40389148>



## Repair

Government and councils are rightly focussing on looking after those affected by the tragedy. In the immediate aftermath, the Greater London Assembly member covering the Grenfell area, Cllr Tony Devenish AM, made a moving call for long term cross agency provision for residents affected, including psychological support<sup>4</sup>. The City of London Corporation worked with major developers, the Berkeley Group, insurance finance giant Prudential, and the Government's homes agency to secure the immediate purchase and accelerated build of high quality new apartments for Grenfell survivors<sup>5</sup>.

Government and councils are concentrating on identifying high risk premises so that remaining high-rise buildings can be made safer through a nationally funded programme<sup>6</sup>, including evacuation from dangerous premises<sup>7</sup>. This process was underway with an emergency response within hours<sup>8</sup> and safety checks starting on other high-rise housing within days<sup>9</sup> in England. The Northern Irish Housing Executive responded within hours<sup>10</sup>, and expert groups were set up in Wales<sup>11</sup> and Scotland<sup>12</sup>.

The property focus has been not just on similar date and similarly constructed and clad residential buildings. There was an inference in the early stages of the disaster that this only happened because it was old council owned social housing. However, government has spread the net more widely in the interests of public safety<sup>13</sup> and already there are implications for flats built just two years ago.<sup>14</sup> The net will be spread still further. The issues which have surfaced may impact on student housing, housing purpose built for shared ownership and market renting, care homes as well as hotels, office blocks and

<sup>4</sup> @Tony-Devenish, address to the GLA, via twitter, 22/06/2017

<sup>5</sup> <http://www.dailymail.co.uk/news/article-4625368/Grenfell-Tower-survivors-homes-2billion-block.html>;  
<https://www.berkeleygroup.co.uk/index.cfm?articleID=25823>

<sup>6</sup> <https://www.gov.uk/government/collections/grenfell-tower>

<sup>7</sup> <http://www.bbc.co.uk/news/uk-england-london-40389148>

<sup>8</sup> <https://www.gov.uk/government/news/government-confirms-emergency-funding-available-in-response-to-grenfell-towers-incident>

<sup>9</sup> <https://www.gov.uk/government/news/communities-secretary-statement-safety-checks-following-the-grenfell-tower-fire>

<sup>10</sup> <http://www.nihe.gov.uk/news-high-rise-accommodation-in-northern-ireland>

<sup>11</sup> <http://gov.wales/newsroom/housing-and-regeneration/2017/170620-carl-sargeant-outlines-steps-being-taken-following-grenfell-tower-fire/?lang=en>

<sup>12</sup> <https://news.gov.scot/news/review-of-building-and-fire-safety-regulations>

<sup>13</sup> <https://www.gov.uk/government/news/communities-secretary-statement-safety-checks-following-the-grenfell-tower-fire>

<sup>14</sup> <http://www.bbc.co.uk/news/uk-40366646>



conversion of office blocks. In short, all types of commercial and residential property.

Within premises affected there will be a number of different tenure types impacted, including leasehold and other owner occupiers, who may need additional and specific financial and legal support. In the current situation, it would be grossly unfair for individuals to be asked to contribute towards remediation work where buildings now are deemed unsafe.

There may be an immediate impact on allocation of public housing money, as the Government has committed to paying for necessary safety works. The timing of the tragedy coincides with a new Government. Funding of over £20 billion<sup>15</sup> has been committed by Treasury within the current and next period and is expected to be the minimum amount available to housing from the public purse. However, the details of the funded programmes for the new period are not yet set. Accordingly, in the immediate term it might be expected that there may be a reallocation of current money away from new build projects into repair and safety programmes. However, this reallocation must take account of the importance of supporting a sharper acceleration of housebuilding all over the country in order to build the homes the country needs at the same time as providing a window to make safe current high-rise buildings and re-shape to a lower-rise future of the cities.

### ***Protect***

As the public safety, construction and management of rented property are fully scrutinised, it seems likely that increased legislation and regulation will be focused in these areas and across all of the rented market, not just the social rented market. It is likely that there may be more direct intervention.

The Housing & Finance Institute previously has reported on the current hotch-potch of mis-matching powers which are complex, time-consuming and expensive for councils to use and called for a one stop shop to simplify and strengthen the intervention powers of councils<sup>16</sup>. Councils and

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<sup>15</sup> UK Government, Autumn statement, 2015, p48, 1.147,  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/479749/52229\\_Blue\\_Book\\_PU1865\\_Web\\_Accessible.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf)

<sup>16</sup> <http://thehfi.com/research-and-publications/turning-the-tide/>





Government need greater direct intervention powers, including over tenant self-managed organisations.

One difficulty in securing public and industry confidence is that full public inquiries can take a very long time. Another is that they rarely resolve on a single failing. For example, the early report by Sir Ken Knight, the UK Government's Chief Fire and Rescue Adviser, into the tragic Lakanal House fire in Southwark identified a number of failures and areas for improvement in management and landlord obligations as well as physical design<sup>17</sup>. In relation to such blocks, leaseholders should be better protected from bearing an unfair burden of additional health and safety regulatory compliance costs and such costs should be met by the block building owner or the public purse.

The immediate fire and police investigation has confirmed that the cladding and insulation at Grenfell failed safety tests and criminal charges are being considered<sup>18</sup>. Removal of dangerous cladding in a number of other tower blocks around the country is already underway.

However, with more than 75 tower blocks<sup>19</sup> already identified as at risk, some of which have been built very recently<sup>20</sup>, it is right to consider whether there should be an immediate pause, a moratorium, on the building of new high-rise tower blocks that are not yet underway. Public safety is paramount. New high-rise tower blocks should be built again only when there is absolute confidence that these buildings can be made safe.

It is important to remember that overall incidence of fires has significantly reduced in England. However, more could be done to protect householders in their homes. In 2015/16 76% of fire related fatalities and 75% of fire related casualties occurred in dwellings<sup>21</sup>.

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<sup>17</sup>

[webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/documents/fire/pdf/1307046.pdf](http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/documents/fire/pdf/1307046.pdf)

<sup>18</sup> <http://www.bbc.co.uk/news/uk-40380584>

<sup>19</sup> 60 blocks reported initially <http://www.bbc.co.uk/news/uk-40397790>, now updated to 75 <http://www.bbc.co.uk/news/uk-40409981>

<sup>20</sup> <http://www.bbc.co.uk/news/av/uk-40368427/grenfell-cladding-used-on-tottenham-tower-block>

<sup>21</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/611182/fire-statistics-england-1516-hosb0517.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/611182/fire-statistics-england-1516-hosb0517.pdf)



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*In 2015/16 76% of fire related fatalities and 75% of fire related casualties occurred in dwellings*

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Smoke alarms have reached extremely high levels of penetration in the UK, reaching 86% in 2008<sup>22</sup>. There could be greater incentivisation for sprinkler systems.

A report from Chief Fire Officers' Association<sup>23</sup> highlights installation and maintenance costs of sprinklers, as well as the water charges, being prohibitive to widespread adoption.

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*The main cost associated with domestic fire sprinkler systems is the capital cost of installation. There are also on-going maintenance costs. The cost of installation is estimated to be about 1- 2% of the total cost of construction. Annual maintenance costs are between £75-£150 per year.*

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Concerns about the costs of water connection charges for sprinklers were also raised in a report for Welsh Government<sup>24</sup>.

Action to ensure greater adoption of sprinklers in homes might include:

- (i) reduced costs of water connection charges for sprinkler systems;
- (ii) a programme of research and innovation work to be undertaken to develop and identify high quality sprinklers that are also cost effective for householders to maintain;
- (iii) support for costs of installation for households which may be most vulnerable to the risk of domestic fires, who tend toward lower income/ demographic groups<sup>25</sup>; and/or

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<sup>22</sup> [www.cfoa.org.uk/download/38472](http://www.cfoa.org.uk/download/38472): The Business Case for Sprinklers

<sup>23</sup> [www.cfoa.org.uk/download/38472](http://www.cfoa.org.uk/download/38472): The Business Case for Sprinklers

<sup>24</sup> Cost Benefit Analysis of Residential Sprinklers for Wales

<sup>25</sup> [www.cfoa.org.uk/download/38472](http://www.cfoa.org.uk/download/38472): The Business Case for Sprinklers page 18

- (iv) a national subsidy and public education scheme, such as that used for replacement boilers and environmental priorities, that could be rolled out across the country.

## **Build**

It may be difficult to re-secure public confidence in high-rise developments in the near future. The final inquiry report is expected to be complex, contain multiple recommendations and take some time. Criminal charges and other legal consequences are likely to take many years to conclude.

It is easy to understand that if there is a fire and you are on a high floor, it is going to be difficult, if not impossible, to get out. Vivid descriptions at the time of Ronan Point are powerful such as:

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“Suddenly our bedroom wall fell away with a terrible ripping sound. We found ourselves staring out over London. Our heads were only a matter of two feet from the eighty-foot drop. The room filled with dust and showers of debris and furniture were plunging past us. Suddenly we heard screams. I think it must have been someone falling with the debris”

Ronan Point Resident, 1968

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How much more immediate, powerful and heart-breaking is the real time record of our social media age.

Those voices and images will call out to us to remember them for decades to come.

The echo of those voices at Ronan Point was still strong a decade later when unlettable blocks still had to be demolished<sup>26</sup>. It has taken decades for consumer and financial confidence to be restored to plan, fund, build and live in high-rise blocks.

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<sup>26</sup> The Five Giants, Nicholas Timmins, 2001, Harper Collins

Inevitably banks, investors and other funders and owners of all commercial and residential property will be considering the reputational, financial and valuation consequences to the portfolios directly held as well as those which are funded.

This is an event which can be expected to change the physical shape of housebuilding and what is provided.

The estate blocks in which the most serious fires have occurred to date were designed or constructed within a few years of each other and forty years or more years ago. Lakanal House was constructed in 1959, Ronan Point in 1966, Grenfell Tower was designed from 1967 and completed in 1974.

A Greater London Authority Report in 2010<sup>27</sup> after Lakanal House serves as a reminder that overall the risk of death from fire in London has been falling.

“It is important to state that the risk of death from fire in London is low ...since the mid 1960s there has been an increase of almost one million households in London, yet the rate of dwelling fires has remained fairly constant (at around 3 dwelling fires per 1,000 households) and has been reducing since 2003”.

However, that same report raised considerable concerns about the height of new residential buildings and use of different building materials. The report states:

“30 metres is the height at which fire fighters are no longer able to tackle a building fire from outside and special measures need to be put in place (such as fire suppression systems) to control a fire.

In tall buildings, once occupied, the ability for occupants to escape in the event of a fire in the building is the biggest problem.”

It seems likely that concerns about existing and new high rise buildings will come to the fore.

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<sup>27</sup> <https://www.london.gov.uk/moderngov/documents/s2394/>

## A Million Homes

The tragedy of Grenfell Tower takes place against a very different housing need backdrop to that of Ronan Point. Ronan Point occurred at the end of a long run of housebuilding on an all-time high of 425,830 homes completed in 1968<sup>28</sup>. The following year the Minister of Land reported that there was a projected million homes *surplus* of dwellings to households<sup>29</sup>.

The 1969 projection of a million homes surplus stands in stark contrast to the political consensus around the million homes ambition to close the national housing deficit in 2017.

Today housebuilding is broadly back on track following the credit crunch with more than 190,000 new homes in 2016 and housebuilding in England increasing to over 160,000<sup>30</sup>. But there is still much, much more to do. The 1969 projection of a million homes surplus stands in stark contrast to the political consensus around the million homes ambition to close the national housing *deficit*

in 2017<sup>31</sup>. In 1969 the Government could choose to prioritise new repair and de-prioritise new housing schemes.

In 2017 the Government will need to do all three – repair, protect, and also secure new homes for previously identified housing needs of the country, as well as those in need of re-housing from the current events. The events of the last few days make it all the more important that we sharply accelerate the delivery of a million homes around the country. There is land, planning permission and opportunity to do so. It needs to happen, and quickly.

There is still a housing need and a need for housebuilding. Some people may reach a conclusion that the end of high rise means that less homes will be built. That would be wrong for two reasons: the first is the majority of housing delivery is outside London and the big metropolitan centres in any event. More than 70% of all housing opportunity in planning permissions and actual delivery is around the country<sup>32</sup>. Regional local councils will need to use their powers and resources to step up and accelerate their work to deliver the

<sup>28</sup> DCLG statistics Table 241, UK Historical Calendar Series

<sup>29</sup> The Five Giants, Nicholas Timmins, 2001, Harper Collins

<sup>30</sup> <http://thehfi.com/1395-2/>, DCLG statistics on housebuilding

<sup>31</sup> Party manifestos, Labour, Conservative and Liberal Democrat General Election 2017

<sup>32</sup> Housing & Finance Institute: From the Shores to the Shires: <http://thehfi.com/research-and-publications/shores-shires-regional-local-councils-big-housing-opportunities/>



homes the country needs. Working collaboratively and in new ways to deliver those homes.

### **Re-designing density developments**

The second is that high rise is not the only way to deliver greater housing numbers. World renowned London architects Farrells have long argued, and demonstrated, that low and mid-rise development can provide the same density and better outcomes for residents than high rise towers<sup>33</sup>. As have Create Streets<sup>34</sup>, Sir Mark Boleat<sup>35</sup> and others. The rise in rental tenures has been accompanied by a rise in new flats being built and sold for renting with rent levels also becoming increasingly unaffordable. This has excluded many younger people from being home owners<sup>36</sup>.

A renaissance in different design may provide an opportunity to re-balance the London housing market and housebuilding more generally across the nation. To deliver more homes outside the big cities. To deliver density in the cities in lower rise developments. To address the imbalance in home ownership opportunities for younger people. And to provide more affordable housing.

Such an approach will help to keep London building should confidence be lost in high-rise developments given the terrible events of 14 June 2017.

It will also keep Britain building the million homes that are so badly needed.

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<sup>33</sup> <http://www.farrells.com/media/205193/10-propositions-for-london-web-version.pdf>

<sup>34</sup> <http://www.createstreets.com/>

<sup>35</sup> <http://thehfi.com/solution-to-the-housing-crisis-is-to-be-more-european-and-build-at-higher-densities/>

<sup>36</sup> <http://www.telegraph.co.uk/personal-banking/mortgages/generation-rent-dominates-london-property-market-for-the-first-t/>



## About the Housing & Finance Institute

The Housing & Finance Institute (the HFi) is an independent not-for-profit organisation created to work with industry and public sector partners to deliver a step-change in housebuilding, housing delivery, asset management and finance. The HFi offers expertise and guidance in the fields of housing and finance. Its independent board is one of the most experienced and respected in the country. It has representatives from the highest level of achievement from central government, local government and business.

The Institute's purposes are to increase housing supply across all tenures, create opportunities for councils, finance & businesses to work together to build more homes, and promote the better delivery, management and financing of housing. Any profit we make is re-invested in our work boosting capacity and delivery in housing and finance.

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