Grenfell fire: social cleansing by London councils widespread

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Last year, the Royal Borough of Kensington and Chelsea council (RBKC) raised more money from the sale of two council houses than it spent on the combustible cladding used to "refurbish" Grenfell Tower.

The cheap cladding and insulation material ensured a fourth-floor fridge fire became a blazing inferno that rapidly consumed the 24-storey building, killing at least 80 people.

Just £3.5 million was spent on the cladding surrounding the 120-apartment high-rise. In contrast, the Conservative-controlled council raised £4.5 million from the sale of two three-bedroom homes in the richer southern part of the borough, according to financial records obtained by the *Guardian*.

The newspaper reports that one of the council houses was "bought by a multimillionaire property investor who has been granted permission to dig out a basement extension."

A dozen council houses were sold by RBKC in the year to April, according to the *Guardian*, raising £8 million. At the same time that expenditure on the Grenfell cladding was reduced by £300,000—replacing zinc panels with a fire retardant core by cheaper, combustible aluminium panels—RBKC had "usable reserves" of £274 million, enabling it to award a £100 Council Tax rebate to its wealthiest residents.

Plans to duct panels and ventilation grills for gas risers were also dropped, leaving dozens of gas pipes exposed and reducing refurbishment costs by £60,000.

RBKC records show that cut-price refurbishment was intended to make the 1970s tower block "prettier" for the borough's wealthier residents. But it appears likely that it was also intended to improve the number of apartments sold or privately rented out.

The block is part social housing and part private, sold or rented out by the council's arms-length Kensington and Chelsea Tenants Management Organisation (KCTMO). According to the *Express* newspaper, flats were being "rented out for thousands of pounds a month" after the £10 million renovation. Adverts boasted "about their new renovation and panoramic views of London landmarks."

Monthly private rental prices in the block were £1,900, and two-bed apartments were being marketed for £250,000.

The Conservative-led council is not alone in selling off housing stock. Labour councils across London and the UK more generally lead the way, with the most notorious examples in Southwark and Tower Hamlets, where thousands of social tenants have been evicted and blocks demolished or refurbished by luxury property developers.

In addition to housing stock, acres of previously state-owned property have been sold off to property developers. More than £1 billion worth of property deemed "no longer required" was sold under the Conservative-Liberal Democrat coalition in the three years from 2010 to 2013. The Metropolitan Police alone sold off almost £1 billion in London property from 2013 to 2017, including the £370 million sale of New Scotland Yard to Abu Dhabi investors for luxury flats.

This fire-sale of land and property has played a significant role in the privatisation agenda of successive governments. Formerly socially owned and socially essential assets have been transferred wholesale to major corporations and hedge funds. This has jeopardised the lives and living standards of working people.

Such asset-stripping was a significant factor in the privatisation of Royal Mail—the formerly state-run postal service. The majority of government shares in Royal Mail were floated in 2013, with the government selling its remaining 30 percent in 2015, ending almost 500 years of public ownership. Shares were sold for just £3.3 billion, despite Royal Mail being valued at £10 billion.

Disused Royal Mail assets in London alone were expected to reward investors with a multi-million-pound property windfall for knock-down prices. In 2014, its one-acre site in Paddington was sold for £111 million to a Singaporean consortium, while the former Mount Pleasant sorting office in Farringdon, Central London, was approved for commercial and residential developments in 2014. Sales from properties developed on the site could top £1 billion.

In June, Royal Mail agreed a £101 million price on two of the seven plots it owns at its former 14-acre Nine Elms South London delivery office. Some 20,000 units are under construction in the largest housing development in Britain, where a four-bed apartment retails for £4,260,000.

The Australian conglomerate, Lend Lease, is a major developer at the site—built around the new US Embassy. It has also been involved in property development on former social housing sites in joint ventures with Labour-run Southwark and Haringey councils.

In preparation for the Royal Mail's sale, its £10 billion pension deficit was transferred to the government. Future pension liabilities are estimated at almost £40 billion.

In 2013, the Communication Workers Union (CWU) abandoned strike action against the privatisation of Royal Mail in return for an 8.6 percent pay rise, spread over three years, and a one-off £200 lump payment. The union welcomed the government take-over of pension liabilities, claiming it would provide "security" to its members.

In January, Royal Mail announced it would close its final salary pension scheme in 2018. Although closed to new members in 2008, it was open to future accrual for those who joined before that date. This will now end, meaning that the company can decide what benefits it will actually pay out in the future.

More grotesque still given the Grenfell Tower fire is the sell-off of fire stations to property developers. As mayor of London, Boris Johnson pushed through the closure of 10 fire stations and 600 firefighters' jobs—notoriously telling those who warned of the dangers to "get stuffed."

In 2016, it emerged that the empty stations had been maintained at the cost of £1.5 million as they awaited transfer to private developers. Eight of the 10 were sold for a combined total of £55 million.

Kingsland fire station in up-and-coming Hackney sold for the highest amount—£16 million. The site, which will have an 11-storey tower block comprising 69 flats, has no affordable housing. Two-bed flats in the area retail at £750,000-plus.

Among those closed was Belsize in Camden, North London—next to tower blocks on the Chalcots housing estate, which had to be evacuated after they was found to be clad in the same material as Grenfell. The grade II-listed building, described as "the most distinctive and original of a remarkable series of fire stations built by the [London County Council]," was bought for £7.8 million by Vulcan Property Ltd. It is to be turned into 16 flats—of which just two are to be marketed as "affordable homes."

Old Woolwich Fire station, near the River Thames in Southeast London, is now a "boutique collection of luxury flats," with a two-bed apartment retailing at £465,000.

Westminster fire station, sold for £9.6 million, is to be turned into luxury apartments. Others sold are Knightsbridge, Silvertown, Woolwich, Bow and Downham. At last report, £490,000 had been spent on maintaining the two outstanding properties in Clerkenwell and Southwark while they await bids.

Earlier this month, the government confirmed it would sell off billions of pounds in National Health Service (NHS) property. Under the Naylor Review, £2 billion of NHS land, equivalent to 5 million square metres, is to be sold.

NHS trusts own 1,200 sites across England, with Deloitte's estimating the total value at £9-11 billion. The list of property identified for sale includes ambulance stations, clinics, staff accommodation and trust headquarters.