

# Resignations at UK Shelter housing charity, after Grenfell exposes role of “Third Sector”

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In the wake of the Grenfell Tower inferno two leading representatives of the housing charity Shelter resigned.

Sir Derek Myers and Tony Rice stepped down from the board of the iconic housing action group on June 25. Their departure came after it was revealed that Myers was the former chief executive of Kensington and Chelsea Council, which owns Grenfell Tower. The council and its Tenant Management Organisation (TMO) repeatedly ignored residents’ concerns that poor building and safety standards had turned the high-rise into a death trap.

The official death toll is 80, although last week police said they had made “87 recoveries” of the “last visible human remains” but could not be certain that these were the remains of 87 people.

Rice is chairman of Xerxes Equity, a construction industry investment group that is the sole shareholder in Omnis Exteriors. This is the company that sold the cladding to contractors hired by Kensington and Chelsea TMO for the “refurbishment” of the tower.

The cladding used was the cheaper, flammable version of the options available, after the specification was changed to reduce costs. Together with flammable insulation material, exposed gas pipes, the lack of fire sprinklers and fire extinguishers, a single stairwell and poorly equipped fire engines, this produced a catastrophe.

Last year Xerxes—in which Rice is the largest shareholder—received a dividend of £950,000 from Omnis. Rice was chair of Shelter’s audit, risk and finance committee.

Shelter offered no reason for the departure of the two. A statement said that they had “decided to step away from their roles in the interests of the charity. They would not want there to be any unnecessary distraction from the work we are doing to help people affected by the Grenfell fire.”

According to the *Guardian*, however, there had been reports of disquiet within Shelter over its response to the fire—with some suggesting that its “apparent silence” was connected to the relationship between two of its trustees and the public and corporate bodies held by many to be culpable

for the devastating blaze. The newspaper cited a Shelter employee who said details of Rice’s links to Omnis had “knocked a lot of people for six.”

Describing an “angry” mood, the anonymous source said, “Staff are asking how the hell Shelter has got itself into this position. I think we expected a faster, more hard-hitting response from a charity whose focus is on decent, safe, secure housing.”

Shelter denied that its response had been below par. Interim Chief Executive Graeme Brown said it had been important for Shelter to respond “to the issues surrounding the Grenfell tragedy in a responsible and informed way. There has been a lot of speculation around the circumstances that led to the fire, and the situation is still extremely unclear. The true facts will only be established through the ongoing inquiry this summer, and we’ll be engaging in this process.”

It has since been revealed that Shelter had been involved in a fundraising partnership with Omnis Exteriors, receiving more than £15,000 in donations from the business group over two years. It was named a charity partner and fundraising beneficiary at a drinks reception for housing industry representatives hosted by Omnis in May 2015. “Specially commissioned sculptures made using Omnis roofing and cladding products were displayed at the launch, and later offered for sale on an art website,” with 20 percent of the sale price going to Shelter, the *Guardian* reported.

The Grenfell Tower fire is an event that has laid bare the real state of the nation—in particular the yawning class divide opened up by decades of free market policies, deregulation and cuts in public spending initiated by Thatcher and continued by governments of every political stripe.

That Shelter could have such lucrative arrangements with the housing industry shows the extent to which every aspect of social life in Britain has been colonised by this neo-liberal, anti-working class agenda. The charity was founded in 1966 as part of the campaign against terrible housing conditions, most particularly in west London—scene of the Grenfell Tower fire. A major element in its formation was

the ground-breaking BBC drama, *Cathy Come Home*, which highlighted the plight of homeless families and the callousness and indifference of the powers-that-be.

Nowadays, Shelter's corporate partners include British Land and the Berkeley Group, among the two largest property developers in the UK. Berkeley Group is the joint developer of luxury apartments at Kensington Row. Located just 1.5 miles from Grenfell Tower, a big fanfare has been made over claims some of the residents displaced by the fire could be housed there.

This is in the "social housing" area of the development—part of a common arrangement by which property developers acquire lucrative land at knock-down prices from the government or local authorities to build expensive apartments—some retailing at the Kensington Row development for £8.5 million—in return for allocating a handful of cheaper properties for social tenants. The social housing component is known as "poor doors," because it is usually segregated from wealthy homeowners by separate entrances—normally next to the refuse—and barred from using gardens and other social amenities.

The relationship between charities and big business is especially important under conditions in which successive governments have handed over responsibility for public health and safety provision to the so-called "Third Sector." The outsourcing of responsibilities to charities and voluntary organisations has been an integral part of the privatisation of vital services.

It was Thatcher in the 1980s who pledged to "roll back" the frontiers of the state, as her government launched a privatisation campaign at the cost of tens of thousands of jobs. This was significantly extended by the Labour governments of Tony Blair and Gordon Brown (1997-2010). Through schemes such as the Private Finance Initiative (PFI), whole tranches of the National Health Service, education and housing were taken over by major corporations, while Blair launched "champion" charities and piloted the role of charities and voluntary organisations in the provision of public services.

During the Labour government, the public sector saw a vast "charitisation" in which the number of charities involved rose by 40 percent to 169,000. In 2006 it was calculated that volunteers had taken the place of more than 1 million full-time workers.

That will have risen substantially as the Conservative-Liberal Democrat government (2010-2015) seized on the 2008 financial crash to declare it would take a "battering ram to break open [state] monopolies," under the slogan of dismantling "Big Government."

The aftermath of the Grenfell Tower fire showed the extent to which public services have been dismantled, with

no help whatsoever coming from either the local authority or central government. Residents were entirely dependent on the role of the voluntary sector and charities who, whatever their best intentions, were completely unable to cope with the scale of the disaster.

This state of affairs has been further encouraged by the government. In place of any central responsibility, the distribution of emergency funds and long-term aid to the Grenfell victims has officially been handed over to the Third Sector.

It is the Charity Commission that is responsible for coordinating relief for the victims and survivors of Grenfell, in conjunction with seven charities—British Red Cross, Muslim Aid, London Funders, London Emergencies Trust, Rugby Portobello Trust, London Community Foundation and the Kensington & Chelsea Foundation.

The government has said it is making £1 million available to help with the aftermath of the fire, in addition to a £5 million "discretionary fund" and £48,000 towards an "assistance centre" providing shelter and aid for Grenfell's victims. All the money is being distributed by charities chosen by the government.

They are distributing £20,000 to every person who lost a relative, drawn from public donations, beginning with an initial £10,000. Those seriously injured will receive £10,000. Those made homeless will receive a grossly misnamed £10,000 "fresh start" grant once they were rehoused.

According to a 2015 survey of the accounts of the top 100 charities by *Third Sector*, the mean pay level for top executives was £212,500. Earnings more than £162,000 place someone in the top 1 percent in the UK. Just 5 percent earn above £70,000. Polly Neate, Shelter's recently appointed chief executive, earns £122,500 a year—the starting level for the charity's chief executive pay scale.



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