

# After Grenfell

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Housing and inequality in  
Kensington and Chelsea:  
“The most unequal  
borough in Britain”

Emma Dent Coad MP



**I ask you to ensure that humanity is  
served by  
wealth and not ruled by it.**

- Pope Francis' message to the  
World Economic Forum, 2014



**This report provides a much needed insight into the glaring gap between rich and poor even in one of the wealthiest parts of London.**

Brought into sharp focus following the fire at Grenfell Tower, the state of inequality within RBKC demands action - not only to begin to rebuild trust between the public and the local politicians that serve them, but to ensure that we never see a tragedy like this ever again.

Many of these problems are not unique to Kensington and Chelsea, and are not unique to London - across the country years of neglect have broken our public services, desperately needing a Labour government that will stand up for the local services people rely on.

- Andrew Gwynne

**Shadow Secretary of State for  
Communities and Local Government**

**Kensington and Chelsea is a microcosm of society at large. It is a place where inequality has become a gross spectacle. Where childhood poverty, overcrowding and homelessness live cheek by jowl with opulent second homes, palatial apartments for the mega rich and vast outflows of rent to corporate landlords.**

The devastating Grenfell inferno is a tragedy derived from these unequal times. Flammable cladding was fitted to the block of flats to hide the borough's poorer residents within. And those residents raised safety concerns before the fire took place, yet no one with the power to do something about it listened to them.

This report unashamedly confronts this reality that for so long has been papered over and ignored. It sheds light on those dark corners of Britain's richest borough; its findings make stark reading.

It also shows how, despite the horror of the fire, the failure of this government continues.

In my view, there will not be a meaningful response to Grenfell until we tackle inequality. This doesn't simply mean more hand-outs for the poor, it means a significant shift in terms of who the government works for. Are building regulations meant to facilitate low costs and to cut corners through being "business friendly" or are they meant to keep us safe?

The answer to many of these questions depends on our democracy. Ultimately the report presents the case for electing Labour, the party of common sense socialism, to turn the tide on inequality that has disfigured our nation for nearly four decades.

- Chris Williamson

**Shadow Fire & Emergency Services Minister**

# Council accused of hoarding badly needed houses

CHELSEA: Row of 28 basement flats left unoccupied for decades



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1

Do I really have to pay for, or provide affordable housing?

2

You explain your development project to us by telephone or email

3

We analyse your project and tell you how much you can save, often over £1,000 per m²

Call us now for a free consultation

or click here to send us an email

4

We agree a fee and you appoint us to prepare a Section 106 viability report and negotiate a settlement with the planning authority

5

We conclude the negotiations and you save £1,000s on your Section 106 contributions

6

Go on a nice holiday with the money you've saved

# Passport to Pepler as 'republic' is declared

Tenants fight plans to demolish council estate

BY ELLIE DYER

FURIOUS residents are so angry at plans to demolish their block in a council estate that they have decided to declare it a new country.

On Saturday up to 300 residents of Pepler House in Wornington Green Estate, North Kensington, are set to become citizens of 'The Republic of Pepler House'.

Complete with constitution, flag, president, first lady, minister of information and national independence day, it is set to be a scene straight out of the Ealing comedy *Passport to Pimlico*.

The drastic action, which will declare the republic a separate state for 12 months, comes after Kensington Housing Trust (KHT) announced the block could be demolished as part of a huge regeneration of the estate.

Keith Stirling, 60, who has lived in John O'Gratts to Land's End 12 times, is tipped to be leader of the new country.

He said: "People keep quoting lines from the film at me and asked me whether I was going to wear a uniform as president. But the closest I come to uniform is my cycling shorts and I don't like them much."

But Mr Stirling also emphasised the protest has a serious point to convey, saying: "A lot of older people live in Pepler House. People are worried and scared and don't know what's going to happen to them or where they are going to go if it is demolished."

And the stunt is not the first time a separate state has been declared in the borough of Kensington and Chelsea. Exactly 30 years ago, residents of Preston Road, in Notting Hill, created 'Frestonia' after they were threatened with bulldozers.



PEPLER DECISION: City Pat Mason with 'citizens of the Republic of Pepler House'

Reacting to the new set of 'anarchists', Conor Kilbane, KHT's regeneration manager, said: "No final decisions have been made about the type of redevelopment."

"Inevitably, large-scale regeneration schemes generate strong feelings. Our experience of similar projects has shown that the long-term benefits to residents and the wider community outweigh any short-term upheaval. We welcome the views of our residents."

# Benefit cuts will 'force poor to leave the borough'

Plea for council to step in and help



# POSH CITY



BY KATE FERGUSON

FAMILIES living in Hammersmith, Kensington and Chelsea could be

# MP claims cap on Housing Benefit will boost the rich

Photographs taken from local campaigns over the last decade

# Introduction

On the morning of 14 June I awoke to the sound of helicopters. I listened for a while as it continued. I switched on the radio and heard that Grenfell Tower, three blocks from my home, was on fire. I was on site in minutes. On that terrible morning, the world changed. As MP for Kensington, I must ensure change is for the better.

I have often stated that Kensington and Chelsea, where I was born and bred, is a microcosm of everything that has gone wrong in our country in the past few years. The proximity of huge wealth attracted by an overheated international property market unencumbered by taxes, alongside poverty so extreme that children and older people are suffering malnutrition is a scandal that brings shame on our society in 21st century London. As a local Councillor since 2006 I repeatedly called for inequalities to be tackled. Now it is time to look behind government misrepresentation, Council and estate agent spin, and see the true picture.

This report updates research undertaken in 2014[1]. The Office of National Statistics no longer publishes detailed Lower Super Output Area results for groups of 500 households, which are especially revealing in an area where plutocrats often live close to social tenants on low incomes. However, there are alternative sources, and there are some updated lowlights on the right. The extreme inequalities, and questions as to where the Council prioritises its attention and spending, were brought into sharp focus on 14 June 2017. As so shockingly and accurately predicted by a group of resident

## #ThisIsKensington

- Golborne ward, which I represent, is **the joint poorest ward in London** with Northumberland Park in Haringey, currently the subject of a huge development controversy
- Overcrowding in Golborne is **68%**, while the chances of re-housing in K&C are virtually nil
- **4,500 children live in poverty**, at a cost to the taxpayer of £49m. In Queen's Gate just 6% live in poverty, while in Golborne ward it is 51%
- Diabetes diagnoses in K&C have doubled, and **life expectancy in Golborne decreased** by a shocking six years since 2010
- Homeless households in Temporary Accommodation in K&C total 2,354 – incl 376 Grenfell-related. This comprises **5,761 people in total**, including 857 Grenfell-related. Children in Temporary Accommodation (TA) total 5,140. This includes 303 Grenfell-related children, of which 226 are in B&B. Two thirds of TA is outside K&C
- Nearly a quarter of the K&C Housing Benefit bill of **£142m** goes to private landlords, as rent levels are pushed to the limit. Landlords also receive a 'management fee' or 'incentive', to encourage them to take homeless households
- Cases of Year 6 child obesity (often linked to poverty) have **doubled in seven years**, and due to malnutrition we have seen the return of rickets
- Hip fractures in over 65s have **doubled since 2010**, to 390 in 2016
- Under 75s cancer mortality is **up by a third**
- There are 1,200 longterm empty homes, and 9,300 second homes; **in one street seven out of ten are second or empty homes**
- One recent development at 375 Ken High Street sold **just 8%** to UK registered owners, and 45% failed to reveal any country of residence
- Of the 341 net residential completions in 2015/16, the number of net social rented homes built was **just 43**.



# Introduction



activists, Grenfell Tower was engulfed in flames. We watched helplessly for hours as over 80 of our neighbours perished.

As MP for Kensington, I need to know why.

*This report represents the current state of play. Proposals to tackle these issues will be put forward in the new year.*

At the time of writing the Council and the government are failing in their Duty of Care to Grenfell survivors, evacuees and near neighbours every day. As the weeks and months pass by, and only 20 households have been permanently re-housed, we can see all too clearly how Council ineptitude is being covered up by the government, and how their continued disdain and lack of understanding for affected residents has been exposed.

The mask of this once 'flagship Council' has dropped.

Whatever the Public Inquiry and criminal investigation finally reveal, the 'why?' questions will remain unanswered. But most of us know that the underlying story is the lack of investment in social housing while Council taxpayer's money was squandered elsewhere, and overseas investors were encouraged by the

overheated property market and large tax breaks to invest in Buy to Leave residential property.

As a local Councillor in the borough since 2006 I made it my special responsibility to examine the Annual Statement of Accounts. K&C is 'the richest borough in the universe' according to one former Cabinet member. However since the Coalition government's first Budget in late 2010 the Council used the language of austerity to implement ideological cuts against those it felt did not merit Council tax-payers' support. Over the years I have done my utmost to awaken the conscience of an administration that seemed hell-bent on scrimping on local services while shovelling underspends into its Capital Reserves, which increased year by year until it reached the indefensible sum of nearly £300m in 2015/16, including cash reserves.[2]

Meanwhile, every March when I and my fellow Labour Councillors challenged the Budget, we were mocked and vilified. Demanding support for struggling local businesses was called 'spoon-feeding by taxpayers'; the wards we represent were called 'impossible and inhospitable and frightening'; the Grade II listed Trellick Tower was called 'a monstrosity not worth putting a lightbulb in'; my ward was branded a 'dungheap'.

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During a debate on the proposed location of Kensington Academy – on precious green space next to Grenfell Tower – we were told by a former Council Leader to ‘take this school where we say, or dump it’. When I warned that housing benefit cuts would force residents out of the borough – another prediction that came painfully true – I was accused of ‘wanton and deliberate cruelty, shameful and hypocritical’. In 2013, when warning about malnutrition among schoolchildren, a Cabinet member actually said: ‘Labour loves the idea of rickets’.

In London’s richest borough, in 2017, we have a child with full-blown rickets.

When the Coalition government announced the first round of cuts to local government in 2010, during a meeting with Council officers about implications to local services, one officer broke down in tears. Housing officers then wrote a damning report which stated that the borough would become ‘a residential no-go area for anybody on a low income looking to rent’.[3] Since then, households living in Temporary Accommodation have rocketed to 1,978 including 4,837 children, two-thirds of them located outside the borough and many of those outside London. The longest period living in TA is 13 years, while the average period is 27 months.

These statistics do not include the ‘invisible homeless’ who are judged ineligible to make a homeless person application, so are not even counted. This process has broken up family groups, disrupted schooling and work and often leads to job loss and depression. In effect, we have condemned a generation to a life of instability, constant household moves

and disrupted schooling, and will be paying well into the future to support these families we have let down so badly.

Meanwhile the Council was spending with inexplicable profligacy on vanity projects such as the loss-making Opera Holland Park, whose cost to the Council over 15 years has been revealed by FoI requests at £30m up to 2014[4], before its ‘divorce settlement’ of £5m when the Council set it up as a separate business.[5] In the run-up to Olympic year in 2012 an extraordinary £26m was somehow justified to pave and create ‘shared space’ in Exhibition Road despite residents’ entirely correct predictions of serious pedestrian accidents.[6]

An eye-watering £250,000 was spent buying Pre-Raphaelite paintings to adorn Leighton House Museum, which in 2017/18 is to benefit from over £7m spending. The outsourcing of services and accompanying procurement process, particularly as part of the much trumpeted ‘Tri-borough’ arrangement between Hammersmith & Fulham and Westminster, was so incompetent that many contracts ended up costing more, with an estimated loss of at least £10m. Do read this report.[7]

Over £10m a year was handed over to KCTMO to manage Council housing – badly – with very little oversight. I sat on the KCTMO Board from 2008 to 2012; it was so chaotic then with violent boardroom rows and poor decision-making that we had to call in an adjudicator. Despite Labour Councillors’, tenants’ and leaseholders’ best efforts to demand that the Council take an interest and demand it was run efficiently and economically, the KCTMO continued to operate with

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scant supervision. Residents who complained regularly were treated with contempt, blacklisted, and even threatened with legal action – as happened to the Grenfell Action Group's members.

Here we have an administration that has abjectly failed to support those members of our society, whose labour we all rely upon to survive, who are on a low income.

This report has been compiled with the encouragement of Shadow Housing Minister John Healey MP and Shadow Fire Minister Chris Williamson MP. I am very grateful for their constant support since I was elected to represent Kensington on 9 June, four days before the appalling atrocity which has disgraced K&C Council and has shamed this government's term of office.



*Emma Dent Coad MP  
November 2017*

# Food halls to food banks



Average child poverty in London is 28%, but in K&C it is 27%. This is made up from a level of just 2.8% in Queen's Gate, and an appalling 58% in Henry Dickens Court, Norland ward. This is worse than Glasgow's Gorbals, at 49%.[8]

The Child Poverty Action Group states that there are over 4,500 children living in poverty in the borough costing the economy £49m a year; that's £10,000 per child per year. In Kensington two-thirds of children living in poverty come from working families, with half of them earning less than £7.50 per hour.

Incidence of diabetes, chronic heart and pulmonary disease and even TB has risen exponentially in the past six years.[11]

K&C is blessed with parks and green space, tennis courts and other sporting facilities. However over the years many of these publicly owned assets have been privatised. Funding for primary school sports activities has been decimated, and free swimming for children and over 60s ceased in 2010. Physical activity for school-aged children is unaffordable to many and is dropping, while obesity in Year 6 children has more than doubled, from

**Malnutrition** – of which obesity can be one element – is increasing in the borough, and we have four Food Banks. Children have been admitted to hospital after collapsing with hypocalcaemic shock due to lack of calcium, and one child has recently been diagnosed with rickets.

**Life expectancy in K&C** is the highest in the country. In Hans Town around Harrods a man can expect to live till **94**; in Golborne ward the average for a man is now **72**, a reduction of six years since 2010.[9] In some ethnic groups it is even lower.

**Health inequality** - K&C ranks first in England and Wales as an average, at 58% against London's average of 50%. In Beaufort Gardens, Knightsbridge, health deprivation is 0%, whereas in Henry Dickens Court, Norland ward, it is 65%.[10]

8.6% in 2010 to 20% in 2016.[12] Many people imagine that all K&C residents are wealthy. Having been born in Chelsea and lived for the past 30 years in North Kensington, I know only too well this is a misrepresentation that has been encouraged by the Council to attract business and by estate agents to push residential development. Income inequality is extreme.

The median income in K&C is £140,000, the highest in the country, though this is still not enough to buy a home at the average cost of £1.5m.

## Food halls to food banks

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However the mean average income is £45,000, and one-third of all workers, the majority in North Kensington, earn below £20,000. On World's End estate income inequality is 'worst', equivalent to around £15,000, whereas just across King's Road income inequality is 'best', with an average of £100,000.[13]

Many low-paid Council workers live in the borough, but the Council refused a demand that contractors pay the London Living Wage of £9.75, stating that it would cost the Council £1m a year. This is the same as the average annual loss for Opera Holland Park.

In December 2011 the Cabinet Member for Finance said, in defence of the Council's position on the London Living Wage, 'There should be no sheltered public sector employment ... [people on low incomes are] best supported by benefits and the tax system'.

In 2017, 10% of workers, comprising 11,000 people in Kensington earn less than the London Living Wage. **There are no accredited London Living Wage employers headquartered in Kensington.**

According to the Index of Multiple Deprivation, the score for Queen's Gate is 8.4, and it is the 'least deprived ward in England'. Swinbrook Estate off Portobello Road however has an IMD of 53, and is in the 4% worst deprived wards in England.[14]

**Low educational achievement** runs parallel with low income and lack of employment opportunities. Improving educational attainment is a guarantee of helping our most deprived communities to improve their opportunities and life chances. The K&C borough average for GCSE

A\* to C is 72%, but in Dalgarno ward only 30% achieve this, mainly because they attend failing schools outside the borough.[15]

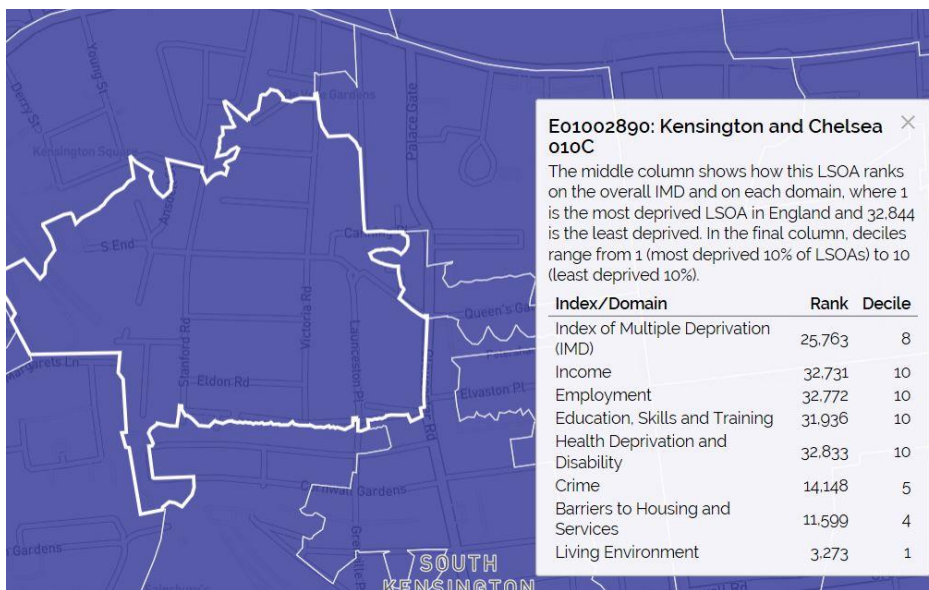
Two-thirds of the adult population in K&C are in employment, and a third of them work over 49hrs per week. Nearly 5,000 are seeking work. In Pelham Crescent, South Kensington only 1.4% are unemployed, but if you cross the road to Samuel Lewis Buildings, this rises to 13%.

**Two-thirds of benefit recipients** in the borough are retired, disabled, or actively seeking work. Inequality among groups with all kinds of disability, whether mental, physical or learning disability, is extreme and anecdotally is getting worse with the imposition of Universal Credit.

**65% of Housing Benefit recipients** are in employment, while many locally based training courses for professional careers and skilled work, such as Kensington and Chelsea College have been downsized, closed, or are under threat.

In 'the richest borough in the universe' this situation is indefensible. If 'trickle-down' worked, **we would not have four Food Banks in K&C.**

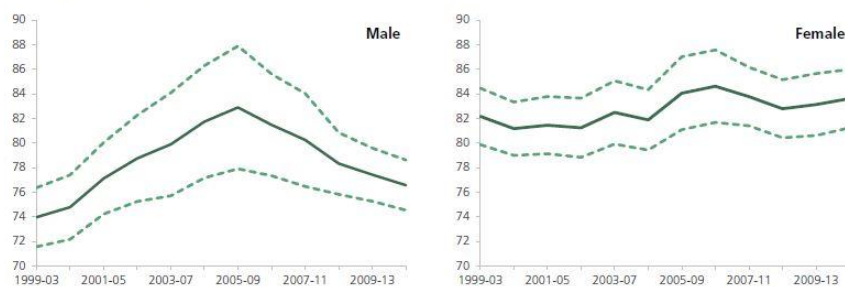




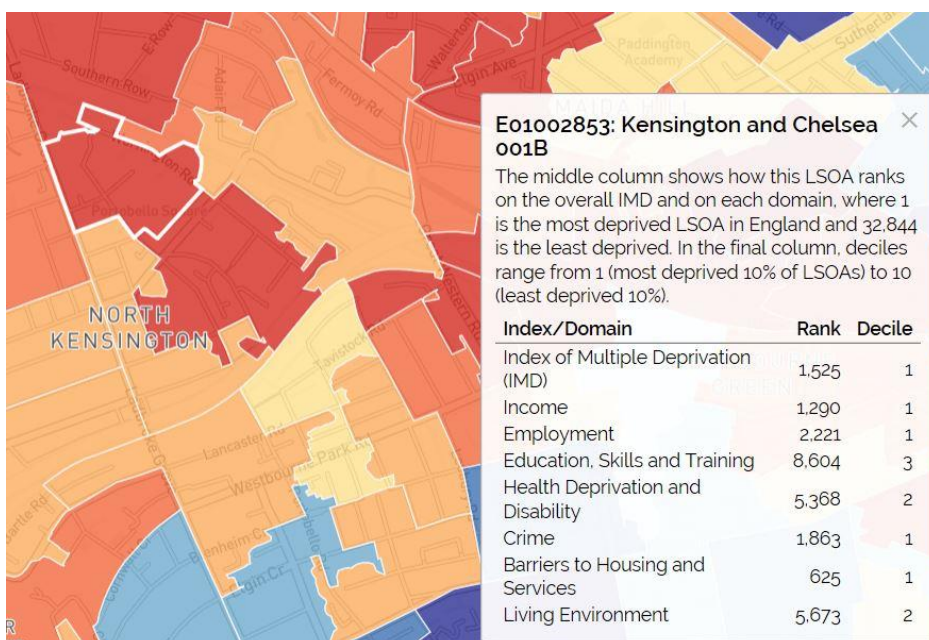
## 1.2 Trends in life expectancy in Golborne ward

The charts below shows trends in life expectancy at birth for men and women in Golborne ward in each five year period from 1999-2003 to 2010-14.

**Life expectancy at birth in Golborne ward, 1999-03 to 2010-14**



Notes: The dotted lines show the upper and lower 95% confidence intervals. The y-axis has been truncated to highlight trends. Source: GLA, [Life Expectancy at Birth and Age 65 by Ward](#)



The scale of inequality in three charts

## **End of Term Report**

**For:** Kensington & Chelsea Tories **Date:** April 2014

**Grade:**

**Subject:**

**F**

### **Child Poverty:**

Despite a promising outlook, with huge potential for improvement, we are particularly disappointed with K&C Tories' progress in this area. With £180m of Reserves, it is simply not good enough to blame outside factors or recession on the terrible results in this subject. We expect far better!

**F**

### **Life Expectancy/Health Inequality:**

The huge life expectancy gap in the borough is indefensible. While average marks appear acceptable or even good, the range of marks shows lack of consistency. We've spoken about ways to see better results across the board, but this advice hasn't been heeded. We question if K&C Tories are prepared to put in the hard work here at all.

**F**

### **Income Inequality:**

Average income can vary from £13,500pa to £100,000pa when simply crossing a road. There can be no excuse for such unequal results and we know improvement can be made, but you stubbornly stick to an approach that doesn't work. It's deeply regrettable that you still refuse to implement the London Living Wage.

**F**

### **Educational Attainment:**

The ongoing discrepancy in attainment within the borough is a source of huge embarrassment and disappointment. It is your responsibility to address this with the generous resources at your disposal. You've consistently failed to plan ahead; your approach is disorganised, inefficient and inadequate.

## **Comments:**

Kensington & Chelsea Tories have really let themselves down this term. Just a quick glance at their results shows this; Child Poverty of 57.6% in Henry Dickens Court, people of Wornington Green are expected to live for 20 fewer years than Hants Town residents, K&C Tories are unwilling to demonstrate fairness by paying the London Living Wage and they've failed their key project with Holland Park Academy costing a massive £100m. You've been given plenty of chances to improve, without results. This has left us with little choice but to recommend that you leave on Thursday 22nd May.

**@KensingtonCLP**

**kensingtonlabour.com**

Promoted by Ashley Wise on behalf of Kensington Labour Party both at 28 Maurice Court, Westfield Way, London E11 4PL.  
Printed by:

Here is our End of Term Report for K&C Tories in 2014. Nothing has changed.



# Housing

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**Grenfell-related** homeless households – which include survivors of the Tower, Grenfell Walk, and the Walkways and other nearby affected homes – total 376, comprising 857 individuals. These totals are different from the weekly Council updates which only include those from the Tower and Grenfell Walk, totalling 203 households. Including all homeless affected by the fire the total is 311 households still in hotels or other B&B accommodation, including 226 children in B&B and 77 children in other forms of TA.

**Some of these 226 children will have been in B&B accommodation for the whole five months since the fire.**

While others may have been moved out of nearby homes in the weeks following the fire, it is not unreasonable to calculate that a majority of these children have been living in hotels for some time.[16]

**According to the Homelessness (Suitability of Accommodation) (England) Order 2003 it is unlawful to keep children in B&B accommodation for longer than six weeks.**

Just one-third of homes in K&C are owner occupied; this has dropped by nearly ten percentage points in the past 15 years.[17] A further third are private rented, which is on the increase, and one quarter comprise 9,000 Council and 12,000 housing association homes, a sector that is falling slightly as some ‘unviable’ properties are sold into the private market.[18]

Inspired by a 2012 article and 2013 update by John Perry ‘Who really gets subsidised housing?’[19] I would like to challenge the narrative of so-called ‘subsidised’ housing. Social housing now pays for itself. Post-war Council housing was built with loans that were largely paid back after 40 years.

**Since 2012/13, there has been no subsidy for local authority housing from the Exchequer.[20] Council housing is self-financing.**

Housing Associations across the UK make a surplus of £3bn a year. They have survived without subsidy for many years, and the surplus has doubled since 2010.[21] Despite this, there are plans for further deregulation, in essence turning all HAs into private bodies with few if any



# Housing

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responsibilities for providing 'affordable' housing, which could be at rents of 80% market rate.

The number of social homes in K&C is reducing, as housing associations sell off 'non-viable' homes to the private market or transfer them to 'affordable' rent. These sales used to be subject to S9 requests to the Council, but that process has also been deregulated. In 2016 Notting Hill Housing sold 59 homes, and converted 383 to 'affordable' rent. Between 2014 and 2016 Notting Hill Housing and Genesis – currently proposing a merger – sold 711 'low cost' homes, and converted 1322 homes from social rent to 'affordable rent'.<sup>[22]</sup> While we do not have specific borough breakdowns, given the focus on disposing of or converting high value properties, many of these would be in K&C.

Due to stagnant income levels, some homeowners and tenants need help with housing costs. In 2015/16 UK homeowners received £280m of means-tested assistance, Council tenants £6bn, and tenants in PRS a whacking £8.8bn.<sup>[23]</sup>

**In K&C the Council pays private landlords an 'incentive' to take homeless families, and in 2016/17 this totalled £34,000. Across London local authorities have paid a total of £29m in landlord 'incentives'.**

While robustly denying they are guilty of social cleansing, the Council committed to spending a huge £10m of Council Taxpayers' money to buy property outside the borough to house residents in Temporary Accommodation. In March 2017 this comprised eight homes in Croydon; four in Enfield; four in Havering; one in both Waltham Forest and Redbridge.

Plans were underway for a further one each in Croydon and Tower Hamlets, and a further eight in Enfield.<sup>[24]</sup> Some of these are former Council homes purchased under Right to Buy. So the Council is buying former Council homes in other boroughs as Temporary Accommodation for our homeless households. Does this comprise social cleansing?

A tenant who has lived in a two-bed Council flat in London for 40 years could have paid up to £300,000 in rent. This is many times more than the flat would have cost to buy in 1970. And they will continue to pay rent until the day they die. While in residence they may have had to fight for every repair, via a system of bad-tempered and unreliable housing officers.

If they fall ill or lose their job and cannot pay the rent for a period, they would, despite illness, have to apply for welfare benefit via a system that is so complex it seems deliberately punitive. Negative Employment Support Application decisions are often overturned on appeal, however during the appeal process many people fall into rent arrears and end up fighting eviction proceedings as well. They may then face eviction, and be moved so far away into temporary accommodation that they lose their social networks, schools, and work. They may become isolated, depressed and ill. Then, to top it all, certain types of media, and certain types of politicians, will accuse them of 'scrounging' or subject to 'a culture of dependency'.

This is a system which pays its senior management six-figure sums to run social housing, very badly. It is a system that often does not support but oppresses and stigmatises social

# Housing

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tenants, making improving life and work opportunities ever more difficult.

Doing homework on the stairs when everyone has gone to sleep is no way to prepare for your GCSEs. A lack of privacy and interrupted sleep can lead to stress and to physical as well as mental ill-health. I have seen many cases in K&C where up to four children share a bedroom, even teenagers of opposite genders. No-one thrives in such a situation, and the embarrassment of how they live means that many young people will be reluctant to socialise at home with their friends, and will either stay at home isolated or head out to commune on the stairways and streets, which can lead to all kinds of challenges and problems.

The increase in serious youth violence over the past year, with knife crime up in K&C by 36%, is one likely outcome. In North Kensington in Oct 2017 there were six stabbings and two shootings.

**A refusal to invest in improving educational attainment and life chances, by cutting local services and youth provision, is a form of social determinism which we must resist at all costs.**

As in many urban areas where housing costs are high, **overcrowding** is rife. In some areas this is just 17%, whereas in Golborne ward 68% of children live in overcrowded homes. There is a desperate need for additional family sized homes for social rent, but when private developers build, they rarely provide the percentage of social rented housing demanded by S106 planning regulations, but use Planning Consultants to wriggle out of their obligations.[25] At the Earl's Court development site, only 14% 'affordable'

is currently planned, and that will be at 60% of the market rent, which in a new luxury development will not be affordable in any sense of the word.

In K&C over 6,000 homes are owned by companies registered in tax havens. They do not contribute to our communities, support our shops, cafes and restaurants, or pay UK tax.

None of this is illegal.

K&C is in danger of becoming an elephant's grave-yard of overpriced, oversized and overseas-owned properties that no one lives in, while Kensington's grafters and public sector workers are priced out of the area. In Queen's Gate one in five are empty homes and at weekends it is a ghost town. In Ashburn Place in Gloucester Road seven in 10 are second or empty homes.[26] The new development at 1 Kensington Road replaced a thriving 700-bed hotel with 97 super-luxury flats, just four of which are occupied. In bustling Golborne there are eight empty homes in the whole ward.[27]

David Pegg wrote in The Guardian about the Council Tax charge for empty properties. This is in reality a fine, but is euphemistically called a 'premium'. In 2014 then Mayor of London Boris Johnson said that the Council Tax rate for empty homes should be 1000%, but this was never implemented. In reality owners pay 150% of Council Tax for an empty property, but in K&C this is a derisory sum given that property values have risen by 65% since 2007. The Council collected just £85,000 in penalty fines across £500m-worth of empty properties in the borough.[28]

# The Sultan & Mrs Braithwaite



In K&C there are 87,000 dwellings, which bring in cc£100m a year in Council Tax. The highest band of Council Tax is H, and over 40% of homes are in this band which is '£320,000 and over'. The Sultan of Brunei with his 16-bedroom mansion in Kensington palace Gardens pays Band H, which is £190 per month. Mrs Braithwaite in her three-bedroom Council home pays Band G, which is £150 per month.

**So Mrs Braithwaite in her Council flat pays just £10 a week in Council Tax less than the Sultan of Brunei in his 16 bed mansion.** The system provides yet another incentive for the very wealthy to colonise the borough, and clearly needs updating.[29]

Decent people pay their taxes and expect services and local facilities in return. The Council's annual resident survey shows every year that residents would rather pay more Council Tax than lose services. This is the opinion of responsible citizens, who live in homes and not economic units. This is not the opinion of the self-serving and disinterested. **And yet the Council has ignored this clearly stated commitment by residents for years while proudly declaring its low rate of Council Tax, even returning a**

'bonus' to residents in election years.

In 2010/11 (election year) £4.2m was spent on an 'efficiency dividend' of £50 each to all registered for Council Tax.

In 2013/14 (election year) £7.5m was spent on an 'efficiency dividend' of £100 each to all Council Tax PAYERS (ie not in receipt of Housing Benefit).

So the current system of Council Tax, largely based on 1991 values, is yet another effective subsidy to wealthy people and landlords. This is in addition to UK subsidies (see below).

- Capital Gains tax relief on disposal of main residence, cost £28.6bn in 2015/16.[30]
- Lack of property tax, costing £11bn a year.
- Right to Buy subsidy, costing £2bn a year, which has seen 1.8m publicly owned homes privatised.
- Shared ownership subsidies.
- Help for buy to let interest only mortgages (this was reduced to 'only' 20% earlier this year), which attracted 1.9m new landlords in 2015/16, the highest number recorded.
- 'Starter Homes' scheme which offers 20% discount to first time buyers.

## The Sultan & Mrs Braithwaite

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The government announced it is investing £32bn in private housing up to 2021, as opposed to just £8bn for social housing.

Housing Benefit now costs the government £23bn a year. In London nearly 1m people receive Housing Benefit; a third of these are pensioners, and in K&C two-thirds are in work. This means that the government are subsidising not only landlords who are overcharging on rent, but also employers who are underpaying on salaries.

Conservative policy is 'non interference in market forces', in the belief that 'the market will provide'. But what we see here is government interference on a massive scale to encourage profiteering from residential property to the detriment of people whose homes are simply where they live.

So who is being subsidised now?

# Conclusions

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## **‘Food banks are a fine and noble thing’.**

This is a quote from a former Leader of K&C Council, as he was refusing to allow a local Food Bank the use of an empty Council property. At one of our Food Banks, 45% of users are working, retired or students.

A Council with a third of a billion pounds in reserves should not be penny-pinching, when residents’ low pay and consequent reliance on social welfare is a direct result of their spending priorities.

A decent-minded Council would pay employees properly, and ensure contractors do the same, ensure spending Council taxpayers’ money is focussed on priorities which enable all residents to prosper and thrive.

Instead they are complicit in a world of unconscionable tax breaks, avoidance and evasion. ‘Developer partners’ are offered 20% to build on Council-owned land – and will then use highly-paid planning consultants to wriggle out of the S106 obligations to build a paltry few homes for social or affordable rent. The market will clearly NOT provide the homes we need. As Phil Hall of the Association of

Accounting Technicians states: ‘Put simply, it doesn’t matter how many houses are built in the UK, there will never be enough to meet demand because demand is not simply coming from the 65m currently resident in the UK but from across Europe, Asia and America’.

In the past five months I have visited groups around Kensington, and discussed our shared values in regards to housing and development. I will continue to work with all Kensington residents to change the narrative and review the approach to spending priorities, and to providing low-cost housing so that people on lower incomes can live near their work, schools and social networks. And I will work with colleagues at Westminster to improve the funding structures, management accountability, and responsibilities of housing providers at national level.

The political will is there. If we can do it in K&C we can do it anywhere.

Let that be our legacy for Grenfell.

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