

# Housing benefit cuts start to bite

**Dave Nellist**  
Socialist Party councillor, Coventry

There will be widespread anguish at Tory/Lib Dems' changes to housing benefit which came into force on 1 April. Hundreds of thousands of families will find their future entitlement to help with housing costs in privately rented property sharply reduced.

These changes will apply straightaway to all new claims for Local Housing Allowance (LHA). But other existing tenants, if already receiving LHA, will be affected if their circumstances change. For example, if someone in the family leaves (meaning their claim would then be based on 'entitlement' to a smaller home), or if a family moves to a new property, they will suffer cuts in entitlement.

Existing tenants will see their claims reduce at some point up to nine months after the anniversary of their claim date.

LHA was introduced by the Labour government in 2008 and only ever fully covered five out of ten rented properties in any area. But from 1 April the Tory/Lib Dem government has decided that only three in ten privately rented properties will be eligible for full LHA and be affordable. For those who live in the other seven out of ten properties, the government intends tenants will either have to make up the difference

## Increased unemployment and benefit cuts will see evictions and homelessness rise

or move to somewhere cheaper.

In Coventry the local council has written to approximately 10,000 tenants and 1,200 landlords, and, in a press release, estimates the changes will reduce entitlement to LHA for privately renting tenants by an average of £550 a year, or £11 a week.

For larger families the reduction could be as much as £2,750 a year, or £55 a week as the rate for new claims will be based on a maximum four bedroom, not a five bedroom, property.

As unemployment rises, then more and more families are going to be pushed into poverty. And if land-

lords don't reduce their rents by the same amount as the cuts (not a very likely prospect) then evictions and homelessness will rise.

As housing specialist Rob Windsor said: "This is just the start of cuts which will push people into overcrowded housing. In the case of people under 35 years old, shared housing will be the only option. With less and less jobs the days of rising homelessness will return, thanks to the Tories and their Liberal Democrat rear gunners."

I want Coventry council to collate the responses to the letters they have sent to tenants and landlords

and urgently prepare a strategy to pressurise the government to reverse these vindictive changes.

Pressure needs to be brought on councils around the country to link up in a campaign to force the government to retreat.

We need candidates in the May elections who will argue against these cuts and instead for a mass programme of building affordable, decent housing, and a benefits system that fully protects people when they need it.

Candidates from the Trade Unionist and Socialist Coalition (TUSC) will certainly be doing that.

## Fast news

### ISTC rip-off

Private health firms ripped off the NHS in London by £22 million between 2007 and 2010. This sum equates to the cost of employing 600 nurses.

The scam, centred on Independent Sector Treatment Centres (ISTCs), was perfectly legal and involved ISTCs providing elective surgery – hip replacement, cataract operations, etc – and charging the NHS the full costs of the contracts irrespective of how many patients were actually treated.

This rip-off by private, run for profit, health care companies, is not new. Last year, the Socialist quoted a British Medical Journal report which estimated that in England "up to £927 million of the £1.5 billion [paid to ISTCs, may have been] for patients who did not receive treatment under the wave one ISTC contracts".



Previous Labour governments had spearheaded this private health companies' assault on the NHS, claiming that ISTCs helped bring down NHS waiting lists - while omitting the fact that their treatments have cost much more than ploughing the money directly into the NHS.

ISTCs 'cherry-pick' the easiest patients, leaving NHS Trusts to treat those more likely to suffer complications because they have other illnesses or need more complex surgery.

Unsurprisingly, the current pro-big business Con-Dem government has shown no sign of scrapping these costly contracts.

### Profit from failure

Global finance capital has only learned a partial lesson from what should have been the very chastening experience of the world economic crisis. The recent rise in 'tail-risk' funds suggests, at some level, that the crisis-ridden nature of their system is now understood. A 'tail-risk' is the danger of an investment losing significant value due to a largely unpredictable event (the sort of events that have so far characterised 2011). Staggeringly finance capital scents a profit to be made in this. Just one tail-risk fund – PIMCO – has \$30 billion invested in it!

These tail-risk funds, that investors and speculators can pour their money into, act as a 'hedge' (or insurance) against losses arising from market shocks.

These funds buy-up a range of obscure financial instruments that in 'normal' market conditions would perform poorly, but if the market nosedives can give returns anywhere between 50% and 100% on the original investment. The perversity of capitalism and its drive for profit knows no bounds. Ironically, these 'investments' will probably only fuel global instability. After all, it was the failure of capitalism to invest its capital in new production, instead chasing short-term profits through financial gimmicks that helped bring down the world economy in 2008. How is this any different?

**Sean Figg**

## Bristol and District Anti-Cuts Alliance meeting

# 'The battle of our lives has begun'

**Robin Clapp**  
Badaca press officer

Over 200 workers and young people attended what veterans of the Bristol labour movement agree was the most inspiring public meeting since the launch of the anti-poll tax movement in the city in 1989.

The marvellous 26 March demonstration was the backdrop to this meeting organised by the Bristol and District Anti-Cuts Alliance (Badaca) on Monday 4 April.

Mark Serwotka, general secretary of the PCS, threw down the gauntlet to the Con-Dem coalition and warned that the struggle to defend all jobs and services was only just beginning.

Badaca has already led two impressive demonstrations, both attracting over 2,000 people. Our explicit opposition to all cuts has attracted an individual membership of over 900, the affiliation of almost every major trade union and four figure donations from Unite and Unison branches.

A spirit of defiance permeated the audience, buoyed up by the news that David Cameron's flagship NHS reforms have hit an iceberg.

Mark Serwotka lifted the lid on a meeting that he and other trade union leaders had in Downing Street before Christmas. Every arrogant cabinet minister sat opposite had been a millionaire, dumbly unaware of the necessity of public services for working people.

Mark lambasted those Labour leaders who say that some cuts are necessary, pointing out that Ed Miliband's argument for sugar-coated, slower cuts was nothing more than a poisonous recipe for division and defeat.

At the time of writing, PCS, NUT



Part of the massive trade union demo on 26 March photo Paul Mattsson

and UCU unions are looking to co-ordinate action around pensions and Mark urged other public sector unions to follow suit.

### Experiences

From the floor of the meeting came an avalanche of examples that gave the lie to the myth that 'we're all in this together'. A worker from the Ministry of Justice pointed out that her PFI-owned office costs an incredible £650,000 to rent each month.

A worker from Jobcentre Plus explained how management monitors comfort breaks and threatens you with corrective training if you make too many visits to the lavatory.

Presumably your bladder is given a strict talking to, he speculated.

A disabled worker recounted how his local support service has gone from providing five-day support to just two-day support since 1 April. "This is not the big society – it's the small-minded and selfish society".

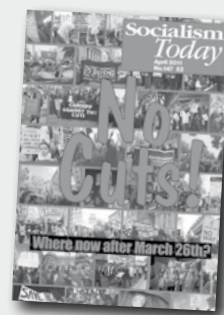
A year eleven school student criticised the hesitancy of those trade union leaders who failed to support the actions of young people demonstrating against fees and the snatching away of their EMA payments.

There was support for the news that the Trade Unionist and Socialist Coalition (TUSC) is standing 16 anti-cuts candidates in the local elections. As Socialist Party member Tom Baldwin pointed out, the alter-

native to a Tory-Liberal government making cuts is not a Labour government making cuts.

It's clear that the battle of our lives has begun. Working class forces are growing and are organising across every community in the city. Like Thatcher before him, Cameron will rue the day he decided to take on everybody at once. This nasty and brutish government shows every sign of becoming a short one as well.

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