

Leaked memo shows government lied over its homeless policies

Paul Kershaw

Welfare cuts could make 40,000 homeless according to a leaked letter sent on behalf of Eric Pickles (cabinet minister responsible for housing) by his private secretary to the prime minister on the planned benefit caps.

It also states that the associated costs would mean that the measures wouldn't even save money.

Their lack of concern for the homeless is all too believable, but since the policy was announced in October last year they have repeatedly stated that homelessness would not rise and that it was not possible to quantify the impact.

We now know that Cameron and Pickles did have figures on the impact: they weren't telling the truth!

Independent research has been piling up showing the impact of benefit changes since they were announced but the government told us they were unable to do the sums.

A Cambridge University report in October last year for example showed that at least 19,000 households would be made homeless by these changes, as the Socialist reported at the time.

The housing charity, Shelter, found that nearly half of recipients of Local Housing Allowance already had to make up a shortfall of almost £100 a month - a situation created by the changes made to the system under New Labour - and were therefore in no position to make up bigger shortfalls.

No wonder that the homeless figures have risen and the homelessness charity, Bondway, reports that rough sleeping in London has risen by 10% in the last year.

In the Tory flagship borough of

Westminster a report by council officers gives a sense of how people will be uprooted and children's education disrupted. Even assuming some landlords lower rents - and rents are actually rising - the analysis shows that Westminster could lose 17% of primary school age children and 11% of 11 to 13 year old pupils.

In the Maida Vale ward 43% of the primary school age population would have to go. You can see why an (unnamed) cabinet minister likened the housing benefit cuts to the highland clearances last year. But like the government, Westminster has been publicly denying that there will be a homelessness crisis.

The Westminster report makes the outcome clear; within three years, homelessness will start to become a thing of the past as more people on high incomes move in. Expensive 'problem families,' at-risk children, and older and disabled people requiring intensive home care will have moved out.

In his first response to the revelations the housing minister, Grant Shapps, resorted to pointing out that Labour was pledged to introduce benefit caps in its election manifesto.

But the Thatcher government deregulated the private rented sector deliberately to make it more 'attractive' to be a landlord.

Reflecting the impact of recession, low pay, insecure jobs and the shortage of social housing, private renting has grown by 40% in the past five years.

Labour cannot give voice to the agony of people struggling with rising rents because it is committed to capitalist policies.

The answer to rising rents is not to hit tenants claiming housing benefit. Anti-cuts campaigners and trade

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unionists should call for the reintroduction of rent controls as an emergency measure, and full nation-

alisation of the banks to mobilise resources for a massive programme of house building and repair.

Slum landlords on the rise

The reality of life in much private rented accommodation was shown on Channel 4's recent 'Dispatches' programme, giving shocking examples of arbitrary eviction and squalid accommodation. The figures show that these are not isolated cases.

Environmental health officers report that a million out of 3.4 million privately rented homes are actually dangerous and a YouGov survey for Shelter found that 7.5 million people have had issues with their landlords in the past ten years but many could not get them resolved because the landlord didn't respond, and 550,000 did nothing because they were afraid of the consequences - given the lack of protection from arbitrary eviction this is no surprise.

Both government and the opposition talk of the need to clamp down harder on benefit claimants. Trade unions and anti-cuts campaigners should argue for proper protection from eviction and for councils to clamp down on substandard housing; the real scandal is high rents charged for bad housing.

Shelter's research shows 66% support for stronger and clearer rules for landlords so private tenants are protected. An energetic campaign by trade unions and anti-cuts campaigners taking up the questions of low pay and bad housing will get an enormous response over the next few years.

Dilnot report: A disservice to disabled and older people

A disabled activist

The 'independent' report, Fairer Care Funding, by the Dilnot commission has predictably failed to address the primary cause of the current crisis in social care - the underfunding of local authority social services by successive Tory and New Labour governments.

It has also brought forward the day when people will have to use private insurance to pay for their care and personal assistance needs.

According to economist Andrew Dilnot, and his colleagues Dame Jo Williams, chair of the Care Quality Commission, and former Labour health minister Lord Warner, the "current adult social care funding system in England is not fit for purpose and needs urgent and lasting reform."

They argue: "The current system is confusing, unfair and unsustainable. People are unable to plan ahead to meet their future care needs. Assessment processes are complex and opaque. Eligibility varies depending on where you live and there is no portability if you move between local authorities. Provision of information and advice is poor, and services often fail to join up. All this means that in many cases people do not have good experiences."

While there is some truth to these assertions, they do not arise from inherent fault lines within social care or its interaction with health servic-



Will people have to have private insurance for care? photo Paul Mattsson

es. Rather the current crisis is rooted in the failure to fully fund and implement section 2 of the Chronically Sick and Disabled Persons Act 1970 which places a duty on councils to provide services to disabled people in order to meet their needs.

Lifetime costs

Many newspaper headlines have focused on the Dilnot commission's proposals to 'cap' the lifetime costs of either home or residential care to £35,000 and raise the means test threshold for residential care to £100,000. But this is very thin icing on what is a very poisonous report if its recommendations are accepted by the Con-Dem government.

The commission supports the continuation of means-tested sup-

port for those with 'lower means,' but contradictorily calls for free state support for young disabled people entering adulthood. It also suggests that people in residential care should pay between £7,000 and £10,000 a year for their 'board and lodgings.' If the latter idea becomes policy, how long would it be before it is applied to hospital-based care?

For social care, the commission believes minimum eligibility should be set at 'substantial' - an incredibly high threshold that would effectively mean the majority of disabled people and family carers of all ages being permanently excluded from social services. Laughably they would then be expected to turn towards the underfunded community sector and volunteers for vital help and support.

While the commission supports the continuation of universal benefits, it does not criticise the replacement of disability living allowance with personal independence payments - a policy designed to reduce the number of claimants by 20%.

The commission says between £1.3 billion and £2.2 billion is needed to implement its 'reforms.' But £1 billion has already been cut from social care this year alone, and the £350 million Independent Living Fund for those with the most complex needs is to close.

But the most dangerous part of this report lies in its support for the idea that there needs to be a 'partnership' between the individual and the state, ie people will be expected to save through their working life to pay for the first £35,000 or so of care costs in later life.

This will necessitate the development of financial products such as private insurance or savings schemes.

How will young people today with the high cost of pensions, mortgages or rent, and student loans and tuition fees to payback, be able to save the amount the Dilnot commission is proposing before the state steps in?

Dilnot, Williams and Warner have performed a disservice to disabled and older people, family carers and the working class, and should be condemned for this. The anti-cuts movement must take up this issue and demand that decent care be a right for all who need it.

Fast news

Special relationship

A ten-foot high statue of former US president Ronald Reagan has been unveiled outside the US embassy in Grosvenor Square, London to cement US/British relations.

But in the 1980s Reagan mirrored Britain's Margaret Thatcher as a rabid cold war warrior whose 'voodoo economics' enriched the capitalist class at the expense of the working class.

Reagan's administration set about destroying welfare, job security and the trade unions. In 1981, in revenge for them striking, Reagan sacked the entire 11,000 members of Patco, the air traffic controllers union, and hauled its leaders off to jail, literally in chains.

Reagan used high interest rates to engineer an economic recession and create an army of unemployed in order to squeeze wages. Homelessness soared as did the prison population.

By 1987 Reagan had delivered the richest 1% of the population a net tax saving of 25%, while the poorest tenth of workers saw 20% more of their incomes swallowed in taxes.

He boasted of reducing federal spending but his rearmament programme, to face down the "evil empire" of the USSR, more than doubled the government's deficit from \$73 billion in 1980 to \$155 billion in 1989.

He, along with George Bush senior, illegally secured arms for the US-backed Contra death squads in Nicaragua to overthrow the left-leaning Sandinista regime. Neither was prosecuted.

Fuelling anger

It is expected that mega-profitable British Gas (BG) will sting its hard-pressed customers with another massive price hike this autumn. A rise of 20% on its gas tariff and 9% on electricity is anticipated. This follows the 19% for gas and 10% for electricity increase from Scottish Power earlier this year.

Last year BG clocked record profits of £742 million and saw fit to increase prices to its 16 million customers by nearly 8% at the start of the coldest winter for 100 years.

These rip-off prices come at a time when living standards for most people, apart from the super-rich, are experiencing the severest peacetime fall in living memory. As usual the utilities giants blame 'international wholesale gas prices' for the increases, despite owning substantial stakes in gas production fields. Recently, BG's parent company Centrica announced it was mothballing one of the UK's largest offshore gas fields rather than pay its taxes.

Outstanding cuts

As part of its £34 million spending cuts, Labour run Southwark council in south London has withdrawn funding for the Pumhouse Heritage Museum and Nature Reserve in Rotherhithe, forcing it to close. For two decades, the wetlands centre, has provided history, geography and ecology programmes for about 120,000 schoolchildren and therapy for up to 40,000 care home patients and dementia sufferers.

The museum and nature reserve closed on 12 June, the day it unveiled a blue plaque from the council recognising "outstanding services to schools, older and young people from 1989".