

# Housing crisis wrecks people's lives

The National Housing Federation (NHF) has warned the government about the "chronic under-supply of homes". Their research suggests that home ownership will decline from 67% to under 64% over the next decade and that rapidly rising rents will continue.

NHF even recommended "more government investment in affordable housing". Here Paul Kershaw explains why the Socialist agrees!

**A** father killed himself after his housing benefit was cut, an inquest heard on Tuesday 23 August. Richard Sanderson of Southfields, south west London, committed suicide after receiving a letter from Wandsworth council informing him his housing benefit would be cut by £30 a month.

Mr Sanderson's death came a month after the government capped housing benefit (Local Housing Allowance) at between £250 and £400 a week depending on property size. Recording a verdict of suicide, the Coroner said: "He carried out a considered act in response to his inability to find employment and the fact that his housing benefit was about to be cut and the family would have faced having nowhere to live."

Merton council estimates that 3,000 people in the area will be hit by government housing benefit cuts. Annys Darkwa, from a local housing charity, was quoted as saying that tragic cases like this would become more frequent in the coming months because housing benefit cuts would hit the most vulnerable the hardest.

Mrs Darkwa said: "We are going to see this happen more and more as we expect 80,000 people across London to be evicted due

to housing benefit cuts." Publicly, ministers deny that their policies will produce homelessness but leaked correspondence between ministers' aides has shown that they have been coolly discussing 80,000 homeless as a result of this stage of the housing benefit cuts. When fully implemented the figures could rise still higher.

Even before the housing benefit cuts began to bite, homelessness was on the rise because of the impact of recession. For example, in the London Borough of Haringey, which includes Tottenham where August's riots began, applications to the council for assistance due to homelessness were up by 83% year on year in the first three months of 2011. For every family making such an application many more will be suffering hardship but avoiding homelessness.

Next year, further changes will mean that single people between 25 and 35 years old will no longer be able to claim for a flat and will be expected to live in cheap shared accommodation despite the shortage of such accommodation.

Many such people already have to make up their rent because they cannot find anywhere cheap enough to be covered by existing benefit rates. In Haringey alone, for example, this



**We need a huge programme of social house building**

change will hit 810 young people.

The government claimed that rents would fall but in fact they have continued to rise. According to the latest buy-to-let index from LSL Property Services the average rent in England and Wales rose by 0.6% to £705 a month in July.

The average rent is now £29 a month higher than in July last year. London had the greatest annual rent

increase (7.9%) to hit a new high of £1,009 a month.

This crisis hits low-paid workers as well as people entirely dependent on benefits. In London around a third of people getting housing benefits are workers in low-paid jobs. Many others who cannot claim benefit are finding rocketing rent levels very hard to pay.

The combination of rising rents

and cutting benefits is placing people in an agonising vice and none of the main parties speaks up for them - Labour had its own plans for benefit caps when in office.

We need an energetic trade union and community campaign against low pay, for emergency rent caps instead of benefit caps and for a programme of social house building and renovation.

## 'Broken Britain'...

**Kath White**

Welcome to David Cameron's latest wheeze to save 'broken Britain' - the Social Impact Bond. It's got a lot in common with all Desperate Dave's other failed remedies.

The bond begs private investors to fund intensive programmes totalling £40 million for the 120,000 'troubled', 'dysfunctional' families that Cameron blames for most of Britain's problems.

Tory ministers want 'philanthropic' firms, investors and charities to put their cash into projects that help these families cut the number of days their children spend in care, lower the rate of teenage pregnancies and reduce the number of visits to hospital A&E wards. 'Please stop breathing or at least stop breeding' sums up Cameron's analysis of the social problems that his government is relentlessly making worse.

As a carrot for these investors they will be paid a dividend for 'successful projects' - the whole scheme will really be a backhanded

form of privatisation. The pilot schemes are in Tory-run cities that already face cuts in public sector spending. One of these councils, Birmingham, is threatening to lay off 7,000 of its workers and has recently cut £15 million from its grants for local charities.

A pilot scheme in Westminster showed that £20,000 invested in a 'problem family' could save £40,000 that would have been spent on social workers, police and child protection staff. So why aren't the council spending it rather than cutting services and relying on bribing private investors to only partially replace them?

For three decades now, governments have told us that neoliberal economic policies such as privatisation would be our salvation. Now in a period of huge anxiety about the worsening recession, all Cameron can offer is a plan for a handful of capitalists to massively enrich themselves amid all the carnage.

Keep fighting against the public sector cuts and for a socialist alternative.

## ...and 'Broke Britons'

**Dave Carr**

'Fixing broken Britain' with austerity measures is the constant refrain of prime minister David Cameron. But government spending cuts, pay freezes, tax increases and job losses are leading to millions of 'broke Britons'.

As the UK economy continues to flatline, a recent survey shows that a majority of the country's eleven million low to middle income workers are living a hand-to-mouth existence. The financial plight of the 'working poor' has been made worse by the government allowing privately owned companies to let prices rip.

Statistics collected by Ipsos Mori for the Resolution Foundation think tank show that 52% of low to middle income households (ie those earning between £12,000 and £48,000 a year) don't have any cash left at the end of each month.

Unsurprisingly only 27% of low to middle income earners are able to make monthly savings compared to 47% of those on higher incomes. Many of those surveyed expected their financial position to worsen in the next year as all costs increase. For example, recent research shows that the price of school dinners is going up in two-thirds of schools this year.

As consumer spending accounts for two-thirds of GDP (total economic output), squeezing people's incomes will further depress the ailing economy.

However, this unashamedly business-friendly government continues to preside over an ever-widening



cartoon by Suzanne Muna

wealth gap. While people are forced to continually juggle payments of their soaring rent and household bills, utility companies like EDF and British Gas, high street banks, train operating companies, etc, rake in mega profits.

Earlier this year it was reported that the richest 1,000 individuals in the UK enjoyed a combined wealth of £396 billion. This astronomical sum is 18% (£60.2 billion) more

than they had in 2010 and this increase alone is almost enough to plug the government's budget deficit.

Yes, Britain is broken and broke. But the cause of this 'breakdown' is not to be found in the supposed extravagance of ordinary people but in the money-grubbing profit system which benefits a rich minority. The cure is simple, let's get rid of capitalism!



**Cameron didn't seem to see the irony of spelling out his plans in a youth club - one of the few not closing as a result of the Con-Dem cuts**