

CAMBRIDGE :
WEALTH AND WANT

Cambridge Fairness Review
Initial Report 2015

The Cambridge Commons

£10.00
FREE FOR PEOPLE ON BENEFITS

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PREAMBLE

*Imagine an affluent, thriving city in one of the
richest countries in the world where:*

House prices and rents are beyond the means of the great
majority of the population and are among the fastest-rising in the country.
No remedy to this crisis of genuinely affordable
housing is in sight

Nearly 5,000 people cannot afford to feed themselves and
are driven to food banks for their food. A third of them are children.
Want was one of the Giant Evils that the Beveridge report in 1942 set out
to slay

More than 6,000 households - one in eight - are too poor
to heat their homes adequately and must choose between living in cold homes
or going without food. The city has a higher level of fuel poverty than the
regional and national averages.

Elderly and vulnerable people who need vital social care are turned away as
a result of reduced budgets. More reductions in care are inevitable. Last
year the official in charge of social care warned that now they had "to
consider what might previously have been considered unthinkable"

Welcome to Cambridge!

Cambridge is lauded as a "success story". This initial
report seeks recognition of another side of this success - the gross
inequality in Cambridge. We hope to inspire a collective commitment to
making Cambridge a fairer, healthier place for all its citizens. Its claim
to be a truly civilised place will not ring true
until real progress is made.

CAMBRIDGE: WEALTH AND WANT

Cambridge is many cities. It has for decades been growing as a hub for high-tech businesses, both small start-ups and transnational. This development owes much to its role as a research community spanning private, voluntary and public sectors and including the universities and Addenbrookes' diverse campus. It is a regional centre for the East of England public sector. It is a historic city with a healthy tourist industry. It is a centre for academic study and research at Cambridge and Anglia Ruskin Universities. In 2011 it was home to some 123,900 people, including nearly 25,000 students; population is projected to rise by around 29,700 by 2031. It is an internationally significant city alive with opportunity.

The high-tech and biotechnology economy provides 19 per cent of employment in the city. Tourism generates annual expenditure of £351 million. The buoyant job market provides a large number of opportunities for work in the city, though many "high value" posts are taken by commuters into Cambridge (currently over 20,000 people). Nevertheless unemployment is low (4 per cent in 2014).

Many recognise Cambridge's prosperous face; few know its other face.

At one extreme, the incomes and wealth, including housing wealth, of Cambridge's rich residents continue to escalate. A number of people with great wealth live in and around the city, as the *Sunday Times* Rich List 2015 attests:

- Mike Lynch, of Invoke Capital, is worth £470 million. His company has £1 billion to invest, he says.
- Ewan Kirk, of the Cantab Capital Partners hedge fund, is worth £210 million. In 2014, his company saw a 13 per cent gain.
- Sir Michael Marshall (and family), of Marshall of Cambridge (Holdings), are worth £200 million. The family has 77 per cent of the £250 million aerospace, motor trading & engineering company.
- Hermann Hauser, of Hauser 66 & Amadeus Capital Partners, is worth £150 million. The company manages £500 million assets.
- Jeffrey Archer, writer, is worth £140 million.

Nationally, Britain's billionaires have seen their net worth more than double since the recession. In Cambridge over the past year alone, Ewan Kirk's fortune has increased by £70 million, that of the Marshall family by £67 million. At the other end of the scale in the less celebrated Cambridge, low and medium incomes have stagnated or fallen in real terms since the 2008 crash. In some pockets of wards in the north and east of the city - Market, King's Hedges, Arbury, East Chesterton - people who are in or out of work live in real poverty. Much of the city is a place of insecurities where ever-rising house prices and private rents run far ahead of low and middle end wages and of benefits.

Growing inequality on the scale highlighted in the *Sunday Times* is an affront to decency and profoundly damaging to our society, nationally and

in Cambridge. In 2010, Wilkinson and Pickett's *The Spirit Level* showed how the impact of inequalities damaged the whole of society. Numerous studies confirm that living in an unequal country means that many people are more likely to have poorer education, housing and health, including mental health, to be the victims of discrimination and crime, and even to die earlier.

The inequality inherent in the past coalition government's austerity policies, reductions in welfare spending and entitlements, wage freezes and cuts in the public sector, and the rise in VAT and increasingly regressive NI contributions has borne down most heavily on Cambridge's poorer residents. Whichever party or parties come to power after the May 2015 election, further large cuts in public services, in benefits and reductions in real incomes for many people look inevitable. The implications for those already struggling are bleak indeed.

Alongside extreme wealth and prosperity for some, this Fairness Review finds for others - for children and young people as well as adults - cumulative brute realities as in the rest of the UK: poverty, destitution, hunger, little or no heating when it's cold, premature death, preventable illness and disease, unaffordable housing in poor condition, exploitative rents, homelessness open and hidden, rough sleeping, an inability to be safe, clean and fed when physical and mental capabilities have gone, chronic insecurity and anxiety at work and "at home", long benefits delays and punitive sanctions, chronic indebtedness, humiliation and stigma - all this in a country which is one of the most unequal in the OECD, exceeded only by the USA, Mexico and Israel.

Poverty is complex and self-fuelling. A low income is only the tip of an iceberg of multiple deprivations: insecure and often low-standard housing; continually short-term and low-paid work; unreliable and expensive transport; exposure to the often lengthy delays in benefit payments and to sanctions; lack of access to cheaper shops, banking services, affordable credit, accessible childcare and broadband; the high cost of prepayment meters; overstretched public health services without an escape route into private care; and skeletal support services for children, adults and older people.

Financial poverty also signals impoverishment in terms of dignity and privacy. People become insecure, anxious "supplicants" who are not in control of their lives, demeaned in their own and others' eyes. Our "commonwealth" as a society is eroded. "Fairness" is an ill-defined word, but one central to any sense of community. Fairness demands that we all at least look carefully at the way we and our neighbours live and judge how far the inequalities are acceptable. As welfare, public services and jobs are cut, fairness matters more than ever.

Against this background, Cambridge Commons decided to undertake a Fairness Review across the city, to raise awareness of poverty in our midst and explore how to make Cambridge a fairer place for everyone who lives and works in the city. Our first finding is that a majority of people in Cambridge enjoy an even spread of prosperity and sense of well-being that

makes the experience of life in the city's pockets of significant deprivation harder and all the more unbearable.

This initial report is confined to certain core issues: unequal incomes and employment, the city's divisive and dysfunctional housing market, life on state benefits, child poverty, want and hunger. Our modest resources have restricted our researches and forced us to leave aside for now other major issues, such as inequality in health and education, and among younger and older people, which we hope will be covered in later reviews. For the same reason, we have not been able to follow through the evidence of severe poverty and deprivation in surrounding areas of Cambridgeshire, particularly to the north.

On 9 March 2014, professors Pickett and Wilkinson revisited their published findings in a *Guardian* comment:

The truth is that human beings have deep-seated psychological responses to inequality and social hierarchy. The tendency to equate outward wealth with inner worth means that inequality colours our social perceptions. It invokes feelings of superiority and inferiority, dominance and subordination - which affect the way we relate to and treat each other The effects of inequality are not confined to the poor. A growing body of research shows that inequality damages the social fabric of the whole society. When he found how far up the income scale the health effects of inequality went, Harvard professor Ichiro Kawachi, one of the foremost researchers in this field, described inequality as a social pollutant. The health and social problems we looked at are between twice and 10 times as common in more unequal societies. The differences are so large because inequality affects such a large proportion of the population.

This is why the riches of people at the top in the Rich List are so important for Cambridge. The larger the gulf, the broader and more damaging the consequences of inequality.

The divide here in Cambridge damages not only the city's most deprived residents but us all. Inequality is divisive, harms the life of the community and dramatically reduces the cooperative impulse to share the burden through voluntary services and local communities. The gulf between the haves and have-nots in earnings, health outcomes and educational achievement negates a sense of shared experience between residents. Large differences in income and wealth increase the social distances between people, intensify distinctions of class and status and corrode mutual trust and respect. This is not a problem simply of the poverty of the least well off. It is the gulf between them and the runaway incomes and wealth at the top that matters.

The message of *The Spirit Level* speaks to national government in the first instance, and then to local authorities, the City and County Councils, and to the local community. Ability to change things for the better should exist locally as well as nationally. The City Council has adopted an anti-poverty strategy. But local democracy has long been powerless under the yoke of central government. The two councils are not able to remedy the effects of market forces or inequalities in national welfare, tax and other national policies. They have simply had in recent years to adapt to

punishing cuts, to reduce expenditure and local services and to accept government's constraints on remedial measures or social house building.

Central government funding for both local councils has been cut drastically. Councillors can only choose where, not whether, to reduce the amount they spend. They can only aim to mitigate the pain that further cuts would inevitably cause many Cambridge residents if they go ahead. We give detailed attention to the cuts and their consequences for the City and County Council below (see sections 5 and 6 below, *Crisis in Social Care and Our Weakened Local Councils*). Here it is sufficient to say that social care in Cambridgeshire has been a grievous casualty of the cuts. The County Council has also been forced to reduce funding to its local assistance scheme for destitute people to a miserly level and may even end the scheme altogether after April 2016. These are services upon which poor and vulnerable people rely the most. The City Council's attempts to redress the lack of genuinely affordable homes are being hamstrung by a government that forces the council to sell off social homes.

That said, the two local authorities have an important civic leadership role to play, as do the local communities which they represent. There is generous voluntary support for the Cambridge food bank. Cambridge is alive with local activism and voluntary organisations, many of which provide needy people with financial and other aid. Charities, businesses, churches, associations, trade unions, public service workers and residents, from multi-millionaires and business leaders to young professionals and those struggling in poverty, all have a part to play. There is an impressive array of assets to call upon in this buoyant community to bring our residents together and to deliver a fairer Cambridge.

1. Poverty: Low Incomes in and out of Work

There is a huge gulf between Cambridge's richest and comfortably off residents and the city's poorer people:

- the median income for all households in Cambridge in 2014 was £31,800 per annum;
- the media income for the lowest quartile of households - i.e., the bottom 25 per cent - was £15,700 per annum;
- a significant proportion of households on average earnings of less than £20,000 live in poorer wards in the north and east of the city - Abbey, Arbury, East Chesterton, King's hedges and Market. Deprivation in the city is concentrated in these wards; and
- in 2014, the City Council found that 22 per cent of recently moved social tenants had incomes of under £5,000; and 45 per cent of HomeLink applicants in search of social housing had incomes of £10,000 or less.

It is rarely understood that low and middle incomes in Britain are intertwined with the benefit system. Thousands of people in work have to rely on state benefits, to top up earnings, to meet rents, and to mitigate disadvantage.

The Housing Benefit count is the most extensive; last year, 7,204 Cambridge households were receiving the benefit and most of them (5,371) were of working age. There is a telling division between those in social housing (6,236 households) and in private tenancies (964). At first sight, the small number of private tenants claiming the benefit is remarkable, given the unaffordably high rents they pay; on second thoughts unaffordability probably provides the explanation! The government's cap on the amount of rent paid by Housing Benefit bites particularly severely in Cambridge and makes it harder to find landlords willing to let to tenants who depend on benefit. High rents also drive low-income families out of Cambridge and force them to commute.

In December 2014, some 4,900 Cambridge families, with 7,500 children, received working and/or child tax credits, of whom 3,500 were officially recorded as being in work. Some 1,400 recipients were classified as being "out of work". This figure suggests that in reality many more were working part-time but could not claim the credits because the rules exclude most part-time workers. It is also very difficult for people working fluctuating hours, and the self-employed, to claim, not least because of the risk of being charged with a punitively high end-of-year overpayment demand. Given the evidence of very low incomes in Cambridge, we can safely assume the presence of many families needing but unable to claim working tax credit.

Cambridge also has a significant caseload of people with disabilities or chronic illness on benefit, 6,340 in all in May 2014: 3,820 were on Disability Living Allowance and 380 on Personal Independence Payments (both of which are for people aged under 65), and 2,140 were on Attendance Allowance for elderly people.

A total of 5,110 households, 5.5 per cent of the population, were on out-of-work benefits: Job Seekers Allowance (JSA), Employment Support Allowance (ESA), Income Support and Incapacity benefits.

Currently, all these benefit strands are reported separately and in a way that makes the exact degree of overlap of benefits and people in and out of work impossible to establish. Some claimants receive two or three different benefits. It is also important to recognise that there is a high level of "churn" in and out of work, on and off benefits, and that many people in work are still likely to experience multiple hardships. In 2013, the city's unemployment count was the lowest of any UK city, and it had the fourth highest private sector employment growth. However, a crude employment count reveals nothing about the quality of the work on offer (see next section, below).

The figures above are snapshots. The most striking statistic of all, drawn from official Department of Work and Pensions figures, may be that about three out of five British households experienced income poverty for at least one year for the period 1991-2004. It is likely to be an even higher proportion now - and a real factor in Cambridge as well. The flow of people in and out of poverty causes significant problems for many. However, the most severe problem is the minority of people in enduring and ingrained poverty.

The city's old and young people

Some 14,600 people aged over 65 are believed to live in Cambridge (2,021 are over 85) and nearly one in five are likely to be poor. We do not have figures for their uptake of benefits and other material matters, but most of them will be on the State Pension or Pension Credit (though significant numbers of poor eligible old people, nationally one third of them, do not claim it). Smaller proportions will be in receipt of other benefits, such as Housing Benefit and Attendance Allowance. Cambridge has a higher level of fuel poverty than the regional and national averages. One in eight are likely to be in fuel poverty; and older people are one of the groups particularly vulnerable to cold and damp housing which is a known contributor to excess cold-related mortality, disease and mental ill-health. (See section 2, *The Blight of Poverty*, below). The increasing scarcity of access to publicly funded social care has a very severe effect on older people as they age and their individual needs increase and become more complex (section 5 below).

Young people in Cambridge, as elsewhere, struggle. In 2014, the Work Foundation commented that "even in cities with successful economies the rate of youth unemployment remains far too high", naming Cambridge as one such: 10 per cent of young people want but cannot find work. Remember that the minimum wage is progressively lower for 18-20s and under-18s and lower still for apprentices.

Working life at the bottom

An Equalities Impact Assessment conducted by the City Council for its Living Wage initiative found that low pay particularly affects women, young people aged under 25, and people from black or minority ethnic groups. In Cambridge 40 per cent of part-time jobs and 10 per cent of full-time jobs pay below the Living Wage - difficult to live on such jobs without getting into debt in Cambridge! Because most lone-parent, low-income households are headed by women, the prevalence of low pay amongst the female workforce is likely to be a major factor in child poverty.

As an absolute backstop, workers rely on the national minimum wage (NMW) of £6.50 per hour, rising to £6.70 from October 2015. All adult workers (21 and above) are entitled to this wage. However, it is frequently evaded: home care workers, for example, are often paid below the minimum wage because of illegal non-payment of travel time. Her Majesty's Revenue & Customs (HMRC), the government body that oversees the NMW, found non-compliance in more than half of 201 audits of home care providers carried out nationally. It is not possible to determine how pervasive evasion is in Cambridge. But we can judge how seriously HMRC takes its responsibility to police the NMW? The agency has not prosecuted a single employer in Cambridgeshire for failing to pay the NMW for the past five years.

Nor is it possible to obtain accurate figures for employment in low-paid and insecure conditions, wage levels, zero hour and "flexible" contracts in and around Cambridge. As we have noted above, low and fluctuating wages make state benefits necessary. There is no line between people who "do the right thing" and go to work and those who depend on the welfare system. Of

necessity, not choice, many Cambridge residents do both. It's hard to think of a welfare benefit that a low-income working person can't need and claim. Job-Seekers Allowance may be the only way of making life on a very part-time job affordable (though it is very hard in practice to manage such a claim). The number of people in work claiming Housing Benefit doubled between 2008 and 2014, making up over three-quarters of new claims in that time. Working and Child Tax Credits are designed as in-work payments, subsidising low and mid-rate pay.

| Low paid and insecure work is a growing reality for many. Nationally, zero hour contracts are increasing fast. The Labour Force Survey for 2014 found that 697,000 people were now on zero hour contracts as their main job, up from 586,000 in 2013. One in three of these were under 25. The Employers' Survey for 2014 reported that 1.8 million contracts offered no minimum hours, up from 1.4 million in 2013.

Some kinds of employment breed poverty: self employment for example. Official figures show that 15 per cent of the workforce is self-employed - the highest level since records began 40 years ago. Two fifths of the rise in employment since 2010 has been in self-employment. Cambridgeshire has maintained a steady number of employed jobs but the recovery in paid work is down to the self-employed. This matters. While all low to middling wages have stagnated or fallen since before the credit crunch, self-employed income has fared much worse; the Resolution Foundation calculates that "the typical self-employed person now earns 40 per cent less than the typical employed person", with self-employed women earning considerably less than the men. Average earnings from self-employment fell by 22 per cent between 2008 and 2014.

Nearly a third of self-employed people have no occupational pension and getting mortgages or personal credit is more difficult than for employed workers. Nor do they get holiday, sickness or parental pay. The government counts the self-employed in the statistics for employment, but excludes them from earning figures. In this way both employment and earnings figures are exaggerated.

Self-employment is linked to zero-hour contracts. CAB advisers meet workers who have to set themselves up as self-employed as a condition of getting a zero-hours contract. It's a deadly combination, maximising the likelihood not only of poverty but of income tax, national insurance and benefit muddles, gaps and fines. Budgeting and access to credit are impossible when there is no guarantee on zero-hour contracts of actual work. People walk around the prosperous streets of Cambridge and its villages with mobiles in their pockets, afraid of missing a call that offers work.

Cambridgeshire County Council has "annualised hours" contracts which specify a contracted number of hours over the year. The pay is divided into twelve equal monthly amounts, but the actual work is flexible according to employer need. On pain of loss of pay, employees have to be available to be rota-ed on their listed working days even though they may not be needed. Under "key time contracts" of this sort, as University of Cambridge researchers comment, "workers are given limited core hours and asked to

state additional times they can work. Managers can demand they work any hours falling during these times with just 24 hours' notice".

Moving towards a Living Wage

Uncertain hours and hence uncertain pay is one major problem. Another is low pay. Cambridge has now however a marker for raising its workers out of poverty wages - the Living Wage. Under the Living Wage, workers outside London are to be paid an hourly rate of £7.85. A student-led campaign for the Living Wage has already made progress within the University of Cambridge and the colleges, and the City Council has launched a Living Wage campaign for all employers.

However, in our view Cambridge needs a Living Wage nearer London's £9.15 per hour, given its high housing and childcare and other living costs.

The City Council is an accredited Living Wage employer, paying outsourced workers as well as its own workforce £7.85 hourly. Last year the student campaign led the University, a body independent of the colleges which had a poor record on pay, zero hour and "flexible" contracts, to pay the Living Wage to all directly employed staff, but crucially not out-sourced workers. The latest figures suggest that 28 out of the 31 colleges do not pay the Living Wage to their staff. Few employers in Cambridge do. A scattering of firms and organisations in Cambridge are accredited Living Wage employers (all of which pay the Living Wage to directly employed and out-sourced staff alike) on the register of the Living Wage Foundation - among them Santander Bank, Cambridge & District Citizens Advice Bureau, the Argyll Street Housing Co-operative, Clamp Optometrists, Queens' College and the Carers Trust.

The costs of childcare

Even on reasonable wages, it often is not possible to make work pay in face of the costs of going to work. We do not tackle the issue of transport in this review, but childcare costs are a massive source of inequality, debarring many women from taking or increasing their work. For many, the costs of childcare are on a par with housing costs. Cambridge is badly placed, with average childcare costs as a percentage of average salaries being equal to London's at 20 per cent. For people with below-average earnings, the costs are often prohibitive. A 2011 entry on the "Cambridge mummy blog" found that the costs of three days' a week private nursery care for a mother with three children, plus travel costs and sandwiches at work, exceeded her earnings at £23,000 gross for three days by just over £1,000 a year. She concluded, "It's nuts. I have no solution."

While the government is clearly aware of the problem, the efforts made through current benefits, under Universal Credit when implemented, free nursery places and the new scheme of child care vouchers from autumn 2015 are simply not enough to overcome the problem. Either they do not meet sufficient of the full cost, are not flexible enough to meet rapidly changing or anti-social hours or are aimed at mid- and higher earners only. The end result is that many low income lone parents, most of whom are keen to work, are not able to do so.

Life on benefits

People in Cambridge on means-tested benefits, whether they are in or out of work, are seriously poor. Otherwise they would not qualify. Many rely on further benefits because of other needs: poor health, disability, incapacity or multiple disadvantage. Thus a significant proportion of Cambridge residents are poor and disadvantaged. Not everyone on benefits is poor; many people drawing state pensions are far from poor. Yet all welfare benefits are there for a reason: to alleviate the risk of poverty and, in the case of means-tested benefits, to mitigate the reality.

Abbey, East Chesterton and King's hedges are the most intensely deprived wards in the city, but there are pockets of deprivation elsewhere, notably in Arbury and Coleridge. Abbey, along with Waterlees in Fenland, has the highest level of child poverty in Cambridgeshire. Over half its children live in households on means-tested benefits.

It isn't hard to live on very little for a short or finite time. Poverty is cumulative. Where there is no room for savings, any capital cost is a crisis; mending or replacing the washing machine, the cooker or the burst tyre - let alone the car - means going into debt. Interest and other charges rapidly increase that debt. In 2014, the senior debt adviser at the Cambridge & District CAB commented that in 25 years working as a debt adviser he was for the first time ever unable to balance his clients' income and expenditure sheets. In 2013 the Bureau expressed concern that levels of debt on unsecured loans, utilities and Council Tax were rising. In the months up to Christmas (September, October, November) that year, the CAB was advising 665 people in debt, as the *Cambridge News* reported (5 January 2015); in the same months in 2014, the Bureau was dealing with 1,022 people in debt. There is also concern about the level of overpayment debt impacting on their clients in 2014 and averaging £3,153.29; such overpayment is essentially caused by a system which relies on projected estimates, not by claimant error or fraud.

The benefits system with its complexity and consequent errors, its demanding rules, the growing disregard of need in its cumulative cuts in entitlements (which are based on need), the punitive sanctions regime, maladministration and delays in payments compound the insecurities and deprivations of poverty.

We turn first to Housing Benefit. High rents for private tenancies have combined with low incomes to swell take-up in November 2014 to 7,204 households, of whom 1,836 were over 65. Some 1,653 were officially said to be "in work", and 5,535 "out of work or on other benefits" (a confusing presentation, as people on working tax credits and maternity/paternity allowance will be simultaneously "in work" and "on benefits"). The benefit ultimately goes of course to *landlords* while creating the illusion of a benefits cornucopia that justifies a benefit cap that punishes *tenants* with the loss of benefit calculated on the basis of need.

It is larger families in high-rent areas whose overall entitlements tend to hit the cap of £26,000 on *all* benefits to the household. Their housing benefit is accordingly cut. According to Cambridge & District CAB, 40

families have been affected in Cambridge since the cap was introduced in April 2013. Almost half of these had their housing benefit cut to less than £50 a week, leaving them to find the rest out of their benefit income.

The removal of the "spare room subsidy", better known as the bedroom tax, also obliged the City Council to cut the Housing Benefit of working age social tenants in council and housing association tenancies with "spare" bedrooms, leaving them to pay the remainder of the rent. A Freedom of Information answer by the City Council said that 470 council tenants were affected by the tax when it was introduced in April 2013, and that, of those tenants, 76 were in rent arrears who were not in arrears on 1 April 2013. The council used Discretionary Housing Payments (DHPs) to mitigate the stress and costs for affected household and no tenants were evicted.

Looking at benefits more broadly, in May 2014 5 per cent of the Cambridge population (5,110 people) were on earnings-replacement benefits - 1 per cent on Job Seekers Allowance (JSA), 3.7 per cent on incapacity benefits (mainly Employment & Support Allowance, or ESA) and 0.6 per cent on Income Support (mainly single parents with children aged under five). These figures challenge the stereotype of out-of-work scroungers: the majority of these people are forced into benefit-dependency by sickness or disability. Remember also the notorious toughness of ESA assessments, now transferred from Atos to the US-based Maximus which applies the same rules as Atos. Further, many people with significant disabilities are obliged to claim JSA, the more so as a 2014 rule-change forced people challenging their ESA assessment to claim JSA pending a Jobcentre Plus review (unless they can survive an indefinite period with no income).

Moreover, people on earnings-replacement benefits such as JSA or on other benefits such as Disability Living Allowance (DLA) may also be working. So, of course, might people aged over 65. In Cambridge there were in May 2014, 3,820 households with at least one member claiming DLA, 2,140 containing at least one older person claiming Attendance Allowance and 380 with at least one Personal Independence Payment.

Young people, who are by far the worst-affected by unemployment since the recession, are also targeted for the lowest incomes within the benefit system. Just as minimum wage rates are lower, so out-of-work benefits pay less for under-25s. Unless they are disabled or parents, they are ineligible for Working Tax Credits to top up low wages, and Housing Benefit entitlements for single under-35 year olds in private tenancies are lower.

Cambridge & District CAB has detailed information from its clients revealing the impact of welfare reform on their lives. Its 2014 annual report includes case studies detailing the impact of a range of changes, including the bedroom tax (affecting working age social tenants), the benefit cap (on maximum payments to individual households) and more punitive sanctions on people claiming Job-Seekers and Employment & Support Allowance (for sick and disabled people). They cite examples where people are now left with no money for weeks at a time, becoming dependent on the local Foodbank, on the Cambridgeshire Local Assistance Scheme, and above all on friends and family.

Cambridge CAB has found that maladministration and delays are the most common benefit problems they encounter. The CAB speaks also of people being sent for ESA assessments to centres many miles away, with no provision for the costs in advance. Disabled people claiming Personal Independence Payment generally have to travel to Haverhill for assessment, being reimbursed only subsequently for travel. People are being sanctioned and left without support, often wrongly, as shown by the level of successful appeals. The systems are riddled with inefficiencies and delays that cause human hardship. Systems that should be there to help and support people are instead punitive and a major reason for Foodbank referrals.

The situation has changed markedly since 2010. The coalition government has introduced between 35 and 40 separate changes to the rules of benefit entitlement and cuts to payments. Payment levels will continue to decline, because on top of cuts and below-inflation increases since 2010, most benefit levels (excluding pensioner payments) are to be frozen for two years from 2016 if Conservative plans hold. People dependent on income-based JSA/ESA, Pension Credit and Income Support can have no savings above £16,000, and their payments are reduced for savings above £6,000. Being dependent long-term on benefits makes people vulnerable to debt and prevents them from saving for old age.

The complex rules of the game

Living with poverty and dependence is more manageable if we know, or reasonably hope to know, that they're finite. It is very different for low-skilled, low-confidence and/or partially disabled people who, though officially fit and ready for work, have little hope of ever progressing beyond minimum wages, minimally secure and probably part-time work, and uncertain benefits. For these people, negotiating benefit rules and the practicalities of their administration is a life sentence of bumping in and out of crisis, as either their situation or the rules change in ways beyond their control; as money starts and stops and brown envelopes arrive, containing letters often hard even for benefit advisers to understand.

At the moment, families must reply and put in claims, each with proofs of income and entitlement, to one or all of three authorities - HMRC, the Department of Work & Pensions and Cambridge City Council. If a job ends or falls below one of three specified number of hours, they must end their working tax credit claim (HMRC) and, if eligible, put in a Job Seekers claim to Jobcentre Plus. They must also notify the Cambridge housing benefit department of their change of circumstances. Housing Benefit will stop while claims are being re-calculated.

Failure to comply brings often huge overpayment bills, potentially fraud charges and possibly termination of their claim. If they start work again, the process goes into reverse, with a corresponding pause in Housing Benefit. This is even more complex for people subject to large variations in hours worked and paid, such as those of zero or low guaranteed-hours contracts. All benefits usually take weeks to process. Some disability benefits take up to a year. These perpetual uncertainties and complications are wholly alien to the lives of those insulated from "dependence" by their incomes.

Richer people are also immune from the intrusiveness of the benefit system. Sick and disabled people face a continual sequence of re-assessments, involving a health questionnaire and face-to-face assessment:

ESA50 Question 9: Do you have to wash or change your clothes because of difficulty controlling your bladder, bowels or collecting device? Use this space to tell us more about controlling your bowels and bladder or managing your collecting device.

Fitness for work

People with disabilities, physical, mental or social - the most disadvantaged in the employment market - are routinely found fit for work or fit for "work-related activities" intended to prepare them to return to employment. GP evidence is often necessary for a successful claim or appeal, and Cambridge CAB has found many doctors charge between £30 and £59 for medical evidence as this is non-NHS work. The overwhelming aim of Jobcentre Plus and then the Work Programme is to drive them into work, an aim that is reinforced by constant surveillance, tests and sanctions. The prospect of finding continuous work of any kind is poor. The National Audit Office estimated that the success rate for the most seriously disabled people who are placed on ESA would be 7 per cent. Not good odds.

So the system cherry-picks the most likely people and persecutes many others with sanctions that may amount to losing all their benefit, with the likely loss of Housing Benefit as well. Often, people are unaware that they have been sanctioned or that Housing Benefit has stopped until the money fails to appear in their account or until they hear from their landlord. They are equally likely to be unaware of why it's happened. These problems are endemic. Between 2012 and 2013, around one sixth of sanctions were successfully appealed or reconsidered.

Managing a benefit claim requires high standards of organisation. That's not ideal in a system meant to cater for people struggling with multiple practical problems with a minimum of support, and often coping with severe illnesses, disabilities or mental health difficulties. The adverse effects on these people are evident in national figures. In 2014 more than 700,000 people were waiting for ESA assessments. In the first three months of that year, three out of five sanctions were made against people with mental health issues or behavioural problems. In 2013-14 nearly one in five people applying for Jobseeker's Allowance were sanctioned - i.e., nearly 600,000 people. Sanctions stop or reduce claimants' benefits, often leaving them destitute.

2. The Blight of Poverty

Thirteen of Cambridge's officially designated small neighbourhoods of about 1,500 people within wards like Castle, Newnham and Queen Edith's are among the 20 per cent *least* deprived areas in the country. In contrast, two areas in King's Hedges are among the 20 per cent *most* deprived, and 18 more such areas are among the 40 per cent *most* deprived, in the country. These are the areas in which low pay is concentrated and deprivations of all kinds exist.

Want and hunger

The population of people who are hungry and in need of assistance with food has been rising fast year by year. In the last year, April 2013–March 2014, the Cambridge City Foodbank gave food to 4,712 people, more than a third of whom were children (1,650 children). The total number of people helped last year is double the previous year's figure of 2,400 people, which in itself was twice the number of people, 1,200, who sought help the year before that.

The Cambridge City Foodbank has seven distribution centres serving people within a radius of 25 miles around Cambridge. All those who receive food aid are referred to food banks by some 100 agencies, such as social services, the CAB, GPs, and voluntary welfare organisations. So the people who come are in genuine need and are not opportunist "shirkers". Almost half (48 per cent) of the Cambridge Foodbank clients are in need because of benefit delays and reforms; a quarter (26 per cent) because of low pay; 7 per cent are in debt. One in four of the clients are in work. Clients are entitled to three vouchers every six months, and each voucher is for three days' food. Many people are deeply reluctant to accept aid which they see as stigmatising. Those people who do receive the vouchers are anxious to maintain their dignity; "they don't try it on", Foodbank workers tell us. Three quarters of them take only one voucher, few take their full entitlement. Some go through boxes they are given and remove items that need cooking, if their gas or electricity is disconnected. The Foodbank is now introducing gas and electricity vouchers to remedy this. Wealthier pensioners are encouraged to donate their Winter Fuel Allowance for the scheme, but it requires significant additional support.

Child poverty

Child poverty in Cambridgeshire has risen from 15,090 in 2008 to 16,455 children in 2013 - 13.3 per cent of all children in the county. Past figures for Cambridge in 2008 showed very high levels of child poverty in particular wards, at 28.3 per cent in wards in the north and east of the city: 28.3 per cent in East Chesterton, 28 per cent in Abbey, 26.2 per cent in King's Hedges and 21.2 per cent in Arbury. The national average figure was 20.9 per cent.

Health inequalities

We have not been able in this initial report to research the effects of inequality on health, but there are significant health inequalities associated with poverty. Take the figures for life expectancy: in the city life expectancy is 8.7 years longer for men in the better off small neighbourhoods, than in the most deprived, and the gap is over ten years for women.

Fuel poverty

Low incomes drive fuel poverty: all "fuel poor" households come from the bottom four income decile groups. Just under half of these households are in work, nearly half have children and more than one in ten is of people

over 60. Households are officially defined as fuel poor where the fuel costs necessary to warm their homes are above the national median level; and if they were to spend that amount, they would be left with a residual income below the official poverty line (defined as 60 per cent of median income after housing costs). In other words, they cannot afford to heat their homes adequately and are cold as a result, or they go without food and other living costs instead.

According to latest government figures for England (2012), 2.28 million households are "fuel poor". Proportionately fewer households in the East of England are in fuel poverty than the national average. But Cambridge has a significantly higher level of fuel poverty, at 13.2 per cent, than the East of England (8.6 per cent) and England as a whole (10.4 per cent). This amounts to just over 6,000 households in Cambridge. Some neighbourhoods within Cambridge have very high levels of fuel poverty: eight officially designated small neighbourhoods have levels of 17 to 23.7 per cent - five of these are above 20 per cent. Fuel poverty is particularly high in private rented housing: Cambridge has a significantly higher proportion than average of private rented and older homes and of Houses in Multiple Occupation.

Fuel poverty can severely affect people's health, causing 80 per cent of the 25,000 excess winter deaths each year in England & Wales. Throughout the year there is an excess cold-related mortality of between 60,000 and 80,000. Cold homes are also often damp. Four groups are particularly vulnerable to cold and damp with greater illness and disease as a result: elderly people, children, disabled people, and those with long-term illnesses. Cold housing causes circulatory diseases, respiratory problems and mental ill-health. Children living in fuel poor homes are at a significantly greater risk. Only one in ten people who receive the Winter Fuel Payment are in fuel poverty.

Fuel poverty is therefore a significant issue in Cambridge. Its incidence and adverse effects are considerable. As a result of inability to heat homes with consequent cold and damp, significant numbers of vulnerable adults and children are experiencing poorer physical and mental health than would otherwise be the case, more infants are being admitted to health facilities and more people are dying prematurely. Educational and other important outcomes for young people are depressed.

Being chronically cold is a thoroughly miserable experience. It is debilitating: it saps energy and resilience; and it lowers motivation and morale. It often confines people to a single, sometimes overcrowded room, and forces them too often to make choices no-one should have to make - between having the heating on or not when it is cold, between heating and feeding the people who live in it. This is a scandal in our midst.

Emergency and local safety nets

So what provision is there to prevent unavoidable everyday emergencies from tipping a "coping" household into disaster? By definition poor people have few or no savings. The poorer they are, and the bigger the need, the harder it is to borrow at reasonable interest rates. People are driven into debt

with pay day and unlicensed loan shark firms which charge extortionate rates. Quick Quid in Cambridge charges interest of £56 on a £200 pay day loan repayable in full after 35 days at rates of 229 per cent or 1,212 per cent APR.

Credit unions make relatively low-interest loans to members, and the City Council is working with local credit unions to examine the feasibility of opening a city centre shop to increase the access of low-income residents to their services. But few credit unions have cracked the problem of how to compete with the instant access provided by payday lenders and loan sharks. As long as earnings and benefits fall below the high costs of living, readily available low interest loans are critical. Cambridge CAB, like every other Bureau, struggles with clients to resist the demands of the instant-access lenders in order to focus on repaying priority debts, including housing, utilities and Council Tax.

Let us first then celebrate local voluntary action. The Cambridge Central Aid Society, a small and unobtrusive charity, is an established source of small funds to replace a fridge, to pay for children's shoes, to help with emergency travel expenses. It cannot turn lives around, but it can help avoid many small - and potentially burgeoning - crises.

Ultimately, however, protecting people who are destitute is a public responsibility. But in the public sphere locally this most urgent form of assistance is in danger of withering on the vine. The Department for Work & Pension's Social Fund was abolished in 2013, the community care grants and crisis loans elements of it being replaced with local authority assistance schemes (see below). Interest-free budgeting loans survive at national level, paid by Jobcentre Plus to people who have been on income-based JSA and ESA, Income Support or Pension Credit for 26 or more weeks. These loans are, for example, for assistance with rent, clothing, or removal costs. Decisions are meant to take up to nine days but can take several weeks. They are cumbersome, hard to get and many people avoid them since repayments eat into future benefit incomes.

The Cambridgeshire Local Assistance Scheme

Cambridgeshire County Council is responsible for the Cambridgeshire Local Assistance Scheme (CLAS) - an essential public safety net which provides destitute families and individuals with vouchers in emergencies (e.g., someone fleeing domestic violence, a period of homelessness, or to pay for heating for up to seven days) and for basic necessities, such as furniture, a cooker, clothing. The scheme was almost abandoned by the County Council this year and its future is seriously in doubt. It may well come to an end after April 2016. As things stand, its capacity to assist destitute people has been severely curtailed.

In 2013, when central government transferred responsibility for most public assistance to local authorities, it provided transitional funding which was not ring-fenced. Last year the coalition government announced that it would make a large cut in central funding. In response, a Conservative/UKIP majority on the relevant council committee passed a motion abolishing the CLAS scheme. A rearguard defence by other members has achieved a reprieve,

assisted by a last-minute government announcement of a smaller, but still, substantial cut in its funding. The result is that the council agreed a budget of £350,000 for this year, by comparison with £650,000 in 2014-15. But it is not clear that the scheme will survive in later years.

The scheme has clear limitations. It does not give people cash, but vouchers for food, clothing, etc., or actual (usually white) goods. Vouchers are a stigmatising and demeaning alternative to money. The allocations have been severely reduced to a maximum of £350. Decisions are not necessarily made immediately and can take five to ten days (though clients of Cambridge CAB wait for no more than three days). People cannot apply for assistance; they must be referred by an agent, such as the CAB, a housing officer or health professional. CLAS cannot help with a first month's up-front rent, identified by Shelter as key to re-housing many homeless people. It is a safety net but a thin one for people in persistent poverty.

Discretionary Housing Payments

Discretionary Housing Payments (DHPs) were introduced in 2001 to assist people struggling with housing costs. Since 2003 DHPs have been employed by the City Council to mitigate the effects of the "bedroom tax" on tenants in social housing (see *Life on benefits*, above), and the equivalent cap on Housing Allowance for private tenants and the overall benefit cap. The number of DHP awards by the council increased from 120 in 2009 to 482 in 2013, and the associated spend from £23,523 to £190,599, reflecting the rising strain imposed on tenants by government welfare reforms. Central government grant - which can be topped up by councils to a maximum of 2.5 times more - is to be reduced from £165 to £125 million nationally in 2015-16. Between April and September 2014, Cambridge used some two thirds of its central government allocation, presaging a gap between need and funds by the end of the year.

In theory, the need for DHPs for social tenants should reduce over time, as social tenants "under-occupying" their properties downsize. In practice, that possibility is severely limited by the lack of smaller social housing locally. Reductions in DHPs therefore combine with reductions in the Local Assistance Scheme to create more holes in the underfunded safety-net for struggling households.

Council Tax Support

The holes are growing. In April 2013, local authorities had to adopt their own schemes when the national entitlement to Council Tax Benefit was abolished. In Cambridge City, the scheme is Council Tax Reduction, in South Cambs Council Tax Support. Unsupported Council Tax is heavily regressive, being levied proportionally heaviest on poorer households. Cambridge City is one of the very few local authorities whose scheme is largely unchanged from the old, giving 100 per cent support for people on income-based JSA and ESA, Income Support and Pension Credit. It is not certain that the council will be able to sustain its current scheme beyond 2015-16, as is its intention, given the continuing large reductions in its funding from central government.

3. Out of Reach Housing

House prices and rents in Cambridge are beyond the means of the majority of local people. They are rising faster in the city than earnings. There is a desperate need for genuinely affordable homes for ownership or rent in and around the city. But there is no end in sight to the chronic and divisive housing crisis. High and rising house prices are forcing more and more would-be home owners to become tenants, further driving rents up. Renting is especially significant in Cambridge. In 2011, half the population (49.84 per cent) were tenants, compared with just over one third of people nationally. It is however likely that Cambridge corresponds with the national trend in one particular: there are now more people in (more expensive) private rented accommodation than social housing for the first time since 1980.

Historically house prices locally were forced up by buoyant demand and a tight green belt around the city. Though the green belt has been significantly breached in the south, and housing development is being augmented in the north west, land is still under pressure for housing, industrial and retail use. Recently, moreover, Cambridge has become an extension of the London housing market. Estate agents talk of the "Astra-Zeneca factor" (the pharmaceutical company making Cambridge its global hub) and of a glut of buyers swelled by "global interest" and the profits from investment.

The Cambridge housing market is the second most unequal in the country outside London. At the top of the Cambridge market family homes sell for millions of pounds (and many sitting owners could not afford to buy them now). The rise in house prices is second only to London, and sometimes faster. The average price for a home in Cambridge in 2014 was £419,000, having jumped by 20 per cent over the year, according to Nationwide Building Society, as reported in the *Cambridge News* (September 2014) under a banner headline:

Cambridge house prices soar 20% to £419,000 overtaking London average.

The figures for average prices in the city vary as different agencies take different boundaries. But Cambridge house prices and rents are plainly beyond the means of people on low or medium wages (and most salaried buyers too). Nationwide's figure of £419,000 is 15 times average earnings - while Rightmove's estimate, at £373,689, is a mere 12.5 times average earnings. A Cambridge City Council report in July reported that the lowest quartile house price in September 2013 was £216,500, just over 14 times the lowest quartile of earnings.

Though there are flats for rent at less than £250-£500 a month, rents are correspondingly out of reach for most people. The Cambridge Market Rent Survey found that the average rent is £1,309 a month in the city, and the median rent £1,200. As well as high rents, people seeking a rented home on the private market must usually pay variable agency fees of £350 on average, plus deposits and rent in advance.

A high proportion - 12.5 per cent - of the private rented stock consists of Houses in Multiple Occupancy (HMOs). The figures for HMOs and housing in Cambridge which does not meet the national Decent Housing standard are both above the national average. Problems of disrepair, cold, damp and poor living conditions tend to be highest in HMOs. More generally, the 2012-15 City Council Housing Strategy estimates that "around 37 per cent of the private sector stock fails the Decent Homes standard". Once again, the City is struggling with the impact of central government policies: single under-35s are only eligible for a maximum housing benefit paid at the "single-room rate", increasing both the demand for HMOs and the pressure on households to overcrowd their homes in order to bail out homeless friends or family. It is hard to compute the pressures placed on family relationships and finances by the need of such support over periods of years.

As we have seen, high rents have forced more and more working households to claim Housing Benefit. But save for a very few properties, rents are well above the maximum housing benefit (the "Local Housing Allowance") payable by the benefit on a private sector property within a ten-mile radius around Cambridge. In 2014, the City Council calculated that the proportion of Cambridge residents unable to afford lower quartile private rents ranged from 40 per cent for a one-bed to 52 per cent for a three-bed property. They further found that the gap between the maximum local housing allowance (and hence Housing Benefit) and the market rent for a one-bed property was £38 per week, and for a four-bed property was £120 per week.

High rents force people out of the city. Already there is a strong pattern of commuting from east Cambridgeshire to both Cambridge and South Cambs; some 28 per cent of East Cambs' workforce was estimated in 2013 to make that journey.

This is a problem of which the Cambridge sub-Regional Housing Board is well aware. This partnership includes seven district councils, including Cambridge, only two of which, Cambridge and South Cambs, still own council housing; the other district councils have passed on ownership and management of social housing to housing associations.

Providing social housing

Our concern with fairness means that we will concentrate on the provision of social housing in Cambridge as the main means for alleviating housing need in the city. Social housing providers are caught between several rocks and hard places. Historically, social rents have been well below market ones. However, the Localism Act 2011 introduced the Orwellian, since potentially much higher, "affordable rents" to the social sector. These can be up to a maximum of 80 per cent of local market rents.

Cambridge City Council calculates that nearly half (46 per cent) of Cambridge households would not be able to afford a three-bedroom property at 80 per cent of market rents; and over a third a one-bed "affordable" property. Of people on the council's housing waiting list (HomeLink), only 18 per cent are deemed able to afford "affordable" rents at 80 per cent of the market rent on a one-bed property, 13 per cent for a two-bed and 9 per

cent for a three-bed home. Dependence on Housing Benefits would therefore rise, a bill only partly covered by central government grant.

Despite its wealth, Cambridge City is second only to Fenland, the poorest local authority in the Cambridge housing sub-region, in the numbers of people who wholly depend on benefits, highlighting the city's two worlds of wealth and want. Cambridge also has the largest over-60s population in need of housing and most Band A urgent-priority housing applicants. Some 25 per cent of the City's council tenants had a limiting long-term illness on 2001 figures, compared with 14.5 per cent of Cambridge residents as a whole.

The government's Affordable Housing grant for councils and housing associations is normally available only for building new social housing at "affordable" rents at 80 per cent of market rents. Cambridge City Council's response is to turn its back on this targeted grant and to set up its own social rent strategy, the aim being to keep rents below the level at which the Local Housing Allowance cuts assistance to private tenants. The council is encouraging housing associations to maintain a mix of rents and types of property; and has negotiated with the Homes & Communities Agency that its grant-funding can be for affordable rents at 65 per cent rather than 80 per cent of market rates.

This strategy means that the council has to explore different ways of funding social housing. The government cap on the City's housing revenue account limits the council's capacity to borrow for new social housing.

In its response to a government consultation document, *A Fairer Future for Social Housing*, Cambridge City Council justified its strategy, saying that:

Widespread use of Affordable Rents could lead to applicants on lower incomes, those adversely affected by the government's proposed changes to the Housing Benefit rules, and those requiring larger homes being completely excluded from large scale new developments. This will severely affect our ability to meet individuals' housing needs, create mixed and sustainable new communities and rebalance existing communities.

The imposition of Affordable Rents - particularly on new developments - are also likely to severely impact on our ability to reduce under-occupation in our existing stock. Most under-occupied social rented housing is occupied by older people. It will be a significant disincentive for older people to move to smaller accommodation if it is to be provided at a much higher rent.

As so often, government policy undermines attempts to mitigate the impact of growing poverty and inequality.

Cambridge policy also runs counter to government policy on security of tenure for housing association and council tenants. Housing associations can grant fixed-term tenancies as short as two years. The City Council could also do so, but has a policy not to. Its Tenancy Strategy aims at secure tenancies with no time limit. The council does award fixed-term tenancies in particular cases, e.g., on very large properties or those with extensive disability-adaptations, and "expects fixed term tenancies to be renewed at the end of the fixed term, other than in exceptional circumstances" (as, for example, where adaptations for a disabled person

are no longer needed and are needed by another applicant, or given the extreme need for homes for larger families, where a four-bedroom property is larger than required).

As will be seen, government policies foster inequality in the private housing market by excluding those on lower incomes from new developments. They also do not adequately cover the rents which have to be paid by low-income housing association tenants on "affordable" rents. And they make it very difficult for the City to respond to unmet needs for public housing. In the public sphere this perfect storm of policies is an affront to local democracy, imposing policy choices (and restricting badly-needed funds) on local councils, like Cambridge, which have a keener understanding of local needs and priorities than government ministers and a local mandate to serve their community.

The sheer scale of housing need in Cambridge is formidable. The City's housing needs register, what most people call the "waiting list", only tells a partial story. There are 2,448 households on the list (as of December 2014) and the council's housing stock amounts to just over 7,000 homes. The average wait for a council home doubled for most house sizes last year; and for most applicants, it has taken between one and two years (though with new housing coming on stream, the waits may be shortening). But since the most urgent cases come first, the wait will be endless for many applicants. For this reason it is likely that many people whose housing needs would make them eligible for the housing register do not bother to apply as it is seen to be pointless.

Homelessness

The social evil of homelessness is an extreme indicator of housing stress for low income and disadvantaged people. Strict statutory criteria define those whom local authorities should accept as being in priority need for emergency accommodation, as long as they are "unintentionally" homeless and have a local connection. They include households with dependent children; people who are vulnerable through old age, disability or mental illness; lone young adults; pregnant women; and people suffering domestic violence.

The number of placements in homeless accommodation made by the City Council increased from 209 households (156 with children) in 2010-11 to 267 (164 with children) in 2013-14. The City Council and housing associations use single-room accommodation for most people prior to their being re-housed. But the City's housing shortage is most acute in one- and two-bedroom properties suitable for moving them on from temporary accommodation. On 31 December 2014, six homeless households were in B&B accommodation, 27 in hostels and 36 in City or housing association properties.

Homeless people have been moved out to temporary accommodation as far afield as Peterborough in a way condemned by the Local Authority Ombudsman. Placements made outside Cambridge City increased dramatically from 28 (all but one with children) in 2010-11 to 121 (73 with children) in 2013-14. The net cost of these placements to the council increased from £92,042 in 2010-11 to £161,459 in 2013-14. These bald figures mask the upheaval and misery for the adults and children they entail. But there are signs that new

social housing coming on stream will unsilt the system; placements in B&B now tend to be for a matter of days.

Nationally, Cambridge ranks among the top 20 local authorities for numbers of rough sleepers, partly because the lack of services in neighbouring authorities drives people to the city. A street count in March 2014 found 33 people sleeping rough in the city. Two years previously a similar count found six. Overall in 2013-14, there were 298 recorded instances of rough sleeping. Between September and December 2014 the Council's street outreach team recorded 173 instances of rough sleeping. The number was 153 over the same period in 2013. Cambridge has three large hostels for the homeless, alongside a number of smaller refuges.

Hidden homelessness

The "hidden homeless" make up a significant proportion of people in housing need. These are families and individuals who do not meet the criteria to be recognised as being in "priority need" and eligible for local authority assistance (see above) but are nevertheless in acute need. They may be staying with friends, "sofa surfing", or with their family, and/or living in overcrowded conditions, properties that are in disrepair or cold and damp. Basically, they have no permanent home but live in near permanent insecurity.

It is hard to quantify hidden homelessness, but it is a serious deprivation which restricts most aspects of their lives. Not least among the difficulties of their insecure accommodation is the fact that they have no reliable address, e.g., to claim benefits or open a bank or credit union account. In 2014 in the UK as a whole, one in five 16-25 year-olds had to "sofa surf", nearly of them for more than a month and some for more than six months.

The damage that 'right to buy' has done

To assume that building new housing is the key to surmounting the housing crisis is mistaken. Nationally, new housing only provides about 10 per cent of the annual flow of housing for people to buy or rent; the other 90 per cent coming from the turnover of the existing stock. The balance here in Cambridge differs from the national situation, given the surge in new-build housing that is currently taking place. Since social tenancies (so far) remain the closest approximation to secure and relatively affordable rented homes, the stock of existing social housing is in our view the bedrock of immediate progress. Ironically, merely maintaining the stock of council housing depends on new build, expanding the supply more so.

The "right to buy" has had a deleterious effect in Cambridge. Three decades ago, the City had over 15,000 social homes. But the "right to buy" has halved the total to just over 7,000 now. In the last few years up to 2012, the rate of loss had fallen to three or four properties a year, but the huge increase in discounts on prices introduced then by the government, of up to £77,000 a property, has increased the loss of council-owned homes to over 60 a year. A total of 211 properties, which could ultimately have been re-let to people in need, were sold under the right to buy scheme for

the period from April 2007 to late 2014. The right to buy has proved to be both a popular policy and a damaging blow to justice in the housing market. In addition to the City's social stock, local and regional housing associations have several thousand social housing properties in and around the city and are building new affordable homes across the area - including the major growth sites in Cambridge and South Cambs such as Trumpington Meadows and Orchard Park. The Conservative Party proposal to extend right to buy to housing association homes could severely damage their capacity to assist in housing lower income households.

The government promotes the impression that local authorities are readily able to replace the properties sold off. The reality is different. Government legislation restricts how much of the sale price the City Council can spend. The council may only spend 30 per cent of the money from right to buy sales to build new properties and has to find the 70 per cent funding elsewhere. Out of receipts averaging £1 million a quarter, the City Council must find £2 million for every £1 million received to replace the lost houses within three years - or face paying the unspent receipts to the Treasury at punitive interest rates. The City Council has therefore to find almost £16 million by June 2017, or lose the receipts and pay interest.

Plans to meet housing need

What is Cambridge doing to address the shortage of housing, particularly housing at rents people can afford? Regional house-builders estimate that the city will need, if further escalation in house prices is to be avoided, anywhere up to 46,500 new properties by 2031. The joint document, recently presented by the City Council and South Cambs to the government inspector scrutinising their review of the Cambridge Local Plan, proposes some 36,389 new homes by 2031, of which 14,382 would be in the Cambridge "urban area", 3,154 on the edge of Cambridge and 8,695 in "new settlements" outside Cambridge, including 1,500 proposed for Northstowe.

The Greater Cambridge City Deal has announced plans "to bring together the skills and housing knowledge" of the City and South Cambs in a joint team to deliver between 4,000 and 8,000 new properties on land owned by the County Council over the next 16 years. Partners in the deal have committed to delivering an additional 1,000 "affordable" homes. Cambridge University has also approved the principle of investing £30 million in "affordable" and key worker housing, which the council believes could be delivered more effectively using the proposed joint team.

These ambitious plans are probably deliverable but they raise serious doubts and questions. The Local Plan aims at 40 per cent of the new build being "affordable" housing of all kinds. But the over-heated housing market and financial pressures from the private developers are eroding this aim. The inward investment, some global, some local, will almost certainly provide housing at prices that will exclude most local people who wish to buy and intensify the explosion of buy to let and buy to invest. Developments of this kind will make inequality in the city ever more extreme and take buying or renting homes out of the reach of the majority of residents. As we have seen above, most people in housing need in Cambridge cannot afford the "affordable" rents at their current levels.

Further, there is now more than anecdotal evidence that global investment is leading to some newly-built houses and flats in Cambridge being left vacant while their capital value appreciates rapidly.

Significantly greater public investment is essential to increase the supply of decent housing at reasonable cost for all of the people of Cambridge. The failures of government policy and the market must be addressed. Local authorities and housing associations must be enabled to build, and also to secure, through planning requirements, new housing which people can afford on which the right to buy cannot then be exercised.

4. Universal Credit: Hope and Dread

Universal Credit (UC), the government's flagship welfare reform, is supposed to reach Cambridge sometime between December 2015 and March 2016. It is already in force in some parts of the country. How clearly will local Jobcentre Plus staff understand it? This is a crucial question; since misinformation by under-trained and overworked staff is a substantial problem for people on the existing benefit system.

Universal Credit will be an online process. Its avowed aim is "to make work pay". The welfare system is to be made simpler and more flexible by replacing six means-tested benefits for people of working age with one monthly payment and integrating their administration and calculation. But as we have seen, Council Tax Support will remain the responsibility of Cambridge City Council.

But will it work for claimants? We know from research by Cambridge & District CAB that many claimants are not prepared or equipped to deal with what will be a new online process for them. The CAB found that over half of respondents in a sample of their clients were not aware of Universal Credit at all; only three out of five had access to the internet at home; and three quarters did not feel confident about making their claims online, whether or not they had internet access in their home. Access to broadband is another key feature of insecurity as more services move online; in response Cambridge City Council is piloting access schemes. While the inequality is sharpest in local villages, lacking local library computers, disadvantage in claiming and maintaining complex online benefits is being increased for all as the public library service is cut back and government fails to ensure adequate computer access.

The transition will be tough. Instead of receiving any combination of weekly, fortnightly, monthly and four-weekly payments from different benefits as now, people will receive one monthly payment, in arrears. At the outset of a claim, this means that people will wait at least one month for payments; only those able to prove particular vulnerability will have a repayable loan to help bridge the gap. Instead of housing benefit for social tenants being paid to the landlord, the norm for all claimants will be for it to go to the claimant, opening up a greater risk of rent arrears.

Fundamental doubts about whether the massive, largely untested computer system on which UC depends will work for recipients are well-founded. The

planning and management of the Department for Work and Pensions (DWP) gives little scope for optimism. In November 2013, Margaret Hodge MP, chair of the Public Accounts Committee, said:

The management of the [UC] programme has been alarmingly weak. From the outset, the Department has failed to grasp the nature and enormity of the task; failed to monitor and challenge progress regularly; and, when problems arose, failed to intervene promptly ... The pilot programme is not a proper pilot. Its scope is limited to only the simplest new claims of people who are single, have no dependants and would otherwise be seeking Jobseeker's Allowance ... It does not deal with the key issues that Universal Credit must address: the volume of claims; their complexity; change in claimants' circumstances; and the need for claimants to meet conditions for continuing entitlement to benefit. The Department needs a revised pilot that is capable of properly informing the full roll-out of Universal Credit.

That warning has been minimally heeded, despite being backed up by a number of National Audit Office reports. A limited number of "pilot" areas have since taken claims from people with dependent children, and in one specific postcode the full range of people have been able to claim. In terms of focused support to local job centres and the strain on the computer system, such pilots have little resemblance to full national implementation.

For some people, if it works, UC will pay more than the existing system and make it easier and more profitable to take up work. For many, it will pay worse, sometimes significantly worse. For example, parents of all but the most disabled children will often lose. Low-earning people, relying on costly childcare, and second earners in a household will find it hard to make work pay at all, disadvantaging many women. Moreover, managing the single monthly payments will be alien to people more accustomed to weekly or fortnightly pay. There are major concerns about how this payment schedule will affect power imbalances within households and the regular payment of rent.

CAB experience in areas where the scheme is in operation suggests that the pressures of providing for immediate basic needs during each month will lead to rent arrears for some families. Social landlords already anticipate higher rent arrears, and private sector housing will become yet harder to find. Cambridge CAB reported last year that "many private sector landlords and agents refuse to rent properties to Housing Benefit tenants as they believe they will struggle to keep up with rent payments".

Universal Credit and the freezing of benefit levels that parallels it, aims over time, to cut the working-age benefit bill. Other expenses will be shifted elsewhere - to the NHS as poverty-related illness grows, to local authorities as homelessness rises, to the economy as people remain trapped in low-skilled work, to human beings as their quality of life goes down. Fortunate indeed are those exempt from this system.

An even greater concern in the short term is the significant risk that the system will not work. The consequences for poor and vulnerable people would be great. A magisterial study by political scientists Ivor Crewe and Anthony King in 2013, *The Blunders of Our Governments*, found that many of the blunders they identified were the result of information technology-based policy initiatives like UC. It seems doubtful that the painful lessons the book contains have been heard by government, let alone learned.

5. Crisis in Social Care

Publicly funded social care is vital to people who are not able to care for themselves and who are too poor to pay for its substantial cost. Personal support to enable people to continue living at home, or in residential care when they are no longer able to do so, is basic to a civilised society. The need for this has increased over the last four decades and continues to grow as the number of older people rises due to greater longevity and survival rates for people with disabilities increase; while at the same time there are fewer informal carers due to social change, due primarily to the sustained increase in the economic activity of women who form the bulk of carers.

While Cambridge has a younger population than most other parts of Cambridgeshire, it also has a significant and growing older population. County Council forecasts for Cambridge suggest that the number of people aged 65 or over may increase by more than a fifth between 2011 and 2021 (to 17,600 from 14,600). Within this increase the number of people aged 85 or more - whose individual needs are on average much greater in volume and complexity - may grow by more than one quarter (to 3,400 from 2,700).

This demographic change has obliged Cambridgeshire - in common with other local authorities across England - to restrict "eligibility" for publicly funded social care for some years to those adults whose care needs are assessed to be in the two highest of the four nationally prescribed categories of need (the "critical" and "substantial" needs bands of the national "eligibility criteria"). Other people who cannot afford to pay for their care, including those in significant need (the "moderate" or "low" bands), are excluded and have to rely on family or neighbours, or do not get the care they need. Some poor people in critical or substantial need may not get access to publicly funded care due to the daunting complexity of the assessment system with its highly complex financial means test.

Where people have eligible needs, the local authority must by law ensure that those needs are satisfied. However, in Cambridgeshire, as elsewhere, support to meet the costs of care at home or in residential care is means tested and available to relatively few people as the financial assessment takes account of many sources of income. Anyone with savings of more than £23,250 is not eligible for any financial assistance. In certain circumstances, account may also be taken of the value of a person's house in assessing whether they are eligible for help with the costs of residential care (though a deferred payments scheme does exist if a person has insufficient income to meet the costs, which are secured against the value of the person's house and realised when sold). Account is also taken of any savings between £14,250 and £23,250 in assessing how much financial support will be given.

As a result, people in critical or substantial need may run up large costs which denude them of their resources unless and until they are poor enough. (A "care costs cap" is to be introduced from April 2016 to restrict care costs to a total of £72,000 for people aged 65 or over who come within the new statutorily defined minimum threshold to receive care. This equates

with the previous critical and substantial needs bands for people who have very high care needs. They will then be eligible for publicly funded social care). Other people of limited means who have significant need for personal care but do not meet the eligibility criteria may incur very large costs in obtaining basic support without help from public funds unless and until their needs become critical or substantial.

In direct parallel with a practice within housing departments, hard pressed social care departments may resort to excessive "gatekeeping". Citizens Advice Bureaux are accustomed to supporting clients to persist in their applications for care assessments for both the person in need and the carer. Under the Care Act 2014, there is a statutory right to both. It is perilously easy for local authorities to fob off applicants with token "assessments", amounting to no more than a brief telephone conversation, sometimes at contact centre/receptionist level. It may be notable that in 2013-14, over half of the 2.16 million contacts of new clients with adult social care departments in England were dealt with at the point of contact without subsequent action.

As with benefit claimants, while some may seem to demand and over-demand their "entitlement", many shrink from dependency. The stricter the conditions of help, the harder it is for many of those most in need to ask - even if they are aware of their potential entitlement. It is hard for many people to press their own claims. Self-respect, shame and desperation jostle for priority.

As a consequence of the rising need in the population due to demographic change, publicly funded social care must increase in order to stand still - that is, to continue to meet the proportion of need being met now and to prevent continuing growth in the amount of unmet need. In fact, despite the strenuous efforts of most local authorities to protect social care, the continuing reduction in central government financial support to authorities is leading to reductions in service levels (see section 6, *Our Weakened Local Councils*, below).

Cambridgeshire County Council is experiencing large reductions in the government's Revenue Support Grant while being responsible for a large swathe of services as well as social care. The resultant "cash limit" it has been forced to set for adult, children and families' services, including adult social care, is likely to reduce in cash terms by £25.4 million, or 7 per cent, between 2013-14 and 2018-19. The "real" reduction will be greater than this as the unit costs of providing services increase year on year due to inflation (by approximately 11.3 per cent over this period, the County Council estimates).

In a 2014 report to the County Council when the cash limit for 2014-15 to 2018-19 was introduced the executive director for children, families and adults stated that the council was ". . . now in a position of having to consider what might previously have been considered unthinkable."

The County Council's statistical returns show an adult care service already under pressure before the introduction of the cash limit. In general, care which supported vulnerable people to remain at home reduced between 2009-10

and 2013-14 while people supported in residential and nursing home care increased. This is not consistent with the national policy of supporting vulnerable people who prefer to remain at home; and may indicate choices forced on an authority attempting to meet increasing levels of need in individuals with increasingly scarce resources. Between 2009-10 and 2013-14, people of all ages receiving home care at 31 March reduced from 4,280 to 3,425 while the actual number of home care hours provided increased from 1.95 to 2.21 million, possibly in response to increasing individual frailty; people of all ages receiving day care at 31 March fell from 1,965 to 940; and the number of people receiving meals at 31 March from 140 to zero.

The total number of people of all ages receiving direct payments or personal budgets to arrange their own care during the year decreased from 1,315 in 2009-10 to 1,165 in 2013-14 (and those aged 65 or more, from 500 to 390). During the same period: the number of weeks that residents aged 65-plus supported by the County Council spent in residential and nursing homes increased from 81,540 to 84,170, and for people aged 18-64 with mental health needs from 4,015 to 5,800. Overall, the total number of care need assessments completed during the year decreased from 5,285 to 5,035.

Children's and family support services have also experienced reductions; for example, removal of a service which previously offered grants of £25 or £50 to poorer families for school uniform and significant reductions in the statutorily discretionary youth service.

These apparently undramatic statistics are the tip of an iceberg of desperate, unnoticed need and isolation amongst older people and other vulnerable adults. As always, the elements that make up poverty are cumulative: a disabled and/or elderly person living alone may not have a credit card and so be unable to access supermarket delivery; local shop prices are likely to be significantly higher than supermarkets; family and friends are statistically ever-more-likely to be in the private rented sector where tenancies are shorter and the likelihood of moving away is greater; and the availability of community support workers has reduced due to reductions in local authority and health services.

This local situation is confirmed across the country. Overall, the BBC has estimated that spending on care nationally for people aged 65 or over fell by one fifth in real terms over the last ten years, from 2003-04 to 2013-14, from £1,183 per person to £951. In a directly related community health service, the number of district nurses has almost halved over the same period, from 12,620 to 6,656.

The government would, rightly, refer to the Better Care Fund, an earmarked funding transfer from the NHS to help strengthen service integration and protect social care service levels for adults in need. The practical delivery and effects of this policy remain to be seen, given its dependence on a cash transfer from the hard pressed NHS budget where many foundation trusts are in significant budget deficit.

As already noted, even with the Better Care Fund, the cash limit for the adults and children's social care budget in Cambridgeshire will decrease in

cash terms by 7 per cent between 2014-15 and 2018-19, within which inflation in excess of 11 per cent will also have to be met together with the growing demand from demographic change. In practice, the Better Care Fund is small in comparison with the total care services budget for adults of all ages. In 2014-15 it represented just over 6 per cent of the total cash limit. In this context, the Better Care Fund, while better than nothing, is a mere sticking plaster over a widening wound. Even if fully delivered, it will not reverse the overall trend, given its relative size and the dramatic reduction in central government's general funding of local government.

These changes - past, present and prospective - are increasing inequality as well as reducing well-being, by diminishing the ability of people who are poor, on low incomes or with few personal resources to get the social care services they desperately need but cannot afford.

6. Our Weakened Local Councils

The ability to change things for the better should exist locally as well as nationally. The importance of action through local authorities addressing poverty and inequality in our city has come through strongly in this report. The County and City Councils are responsible for services critical to equality. They also have a wider local leadership role which, for example, is expressed in the City Council's recent adoption of an anti-poverty strategy. Notwithstanding central government's often rhetorical references to "locality, locality, locality", the ability of local authorities to carry out their responsibilities towards the people they represent has been and is being diminished. Tight constraints on authorities' discretion to take action and swingeing reduction of the resources with which to take it, are taking their toll.

This section of the report attempts to spell out what is happening and, in so doing, notes that our two local authorities remain an important channel for democratic action in and by our community. Our local authorities provide a variety of services that are important, or vital, to social justice and well-being among their other wide-ranging responsibilities. Cambridgeshire County Council provides social care and safeguarding for children, young people and vulnerable adults, including older people. This includes child care, the youth service, home, day and residential care and personal budgets for older people and other vulnerable people in need, including those with physical, mental or learning difficulties. It is also responsible for the Cambridge Local Assistance Scheme.

Cambridge City Council is responsible for providing secure tenancies for eligible families with housing needs, temporary accommodation for homeless people, development of new housing (within tight government controls), providing housing support & advice, and enforcing fitness standards in private housing. The City is also required to provide Housing Benefit (as the local agent of central government) and has discretionary power to provide Council Tax Support, Discretionary Housing Payments and money advice.

Both authorities have a severely limited capacity even to carry out their statutory responsibilities, let alone seek to mitigate the consequences of government powers and policies and market forces for social justice and Cambridge's citizens, rich or poor. They are relatively powerless and certainly cannot make Cambridge an "island entire unto itself".

Local authorities are funded mainly by central government grant, the Council Tax and business rates. Government grant has been and is being cut by huge amounts since the global financial crisis in 2008-09. At the same time, locally raised income (from Council Tax and business rates) has fallen in real terms and has not offset reductions in government spending. Therefore, it is the reduction in central government grant, and in particular the Revenue Support Grant (RSG), on which the City and County are heavily dependent. The RSG is the effective determinant of local authorities' ability to spend what is necessary to perform their important functions.

It is not possible for local authorities to replace these losses with increased income from Council Tax as they are legally constrained from doing so by government legislation, which froze Council Tax for a time and requires a costly local referendum to seek approval for an increase in the tax above centrally prescribed levels. Even if this constraint was not in place, councils would be reluctant to raise Council Tax above the level of inflation as it is now a regressive tax which impacts most on the poor and those with low incomes. Many poor people who did not have to pay Council Tax previously must now pay it as a result of the move from centrally funded entitlement to Council Tax Benefit to discretionary local schemes (see above). Local authorities also cannot replace losses of RSG with increased business rates as they are a nationally prescribed tax, though locally collected, over which local authorities have little discretion.

At the same time, the legal responsibilities of authorities are growing as a result of, for example, the new duty towards carers under the Care Act, and inadequately and temporarily funded or unfunded delegation of previously mandatory responsibilities from central government.

The National Audit Office (NAO) reports that the government would reduce funding to local authorities by an estimated 28 per cent in real terms between 2010-11 and 2014-15 and further planned cuts will bring the total reduction to 37 per cent by 2015-16. This excludes two specific government funding initiatives, the Better Care Fund and Public Health Grant, the introduction of which has little impact on the overall cut in government funding. The 37 per cent reduction in government funding by 2015-16 is equal to a 25 per cent fall in overall revenue spending power. More reductions will come in the Spending Review after the forthcoming general election. This is a major threat to fairness and equal treatment for vulnerable people in our society - and to services upon which all citizens rely.

The adverse effect successive reductions are having on important services is now becoming evident. An NAO 2014 report concluded that local authorities have tried to protect spending on adult and children's social care services by concentrating reductions elsewhere. Real terms spending on

other services reduced much more between 2010-11 and 2014-15 (at 2012-13 prices):

<i>Services</i>	<i>County & Single Tier Councils (i.e., Cambridgeshire) (%)</i>	<i>District Councils (i.e., Cambridge City) (%)</i>
Planning & Development	-46	-24
Housing Services	-34	-17
Cultural Services	-2	-26
Transport and Highways	-21	-16
Environmental & Regulatory	-18	-21
Social Care - Adult	-9	NA
Social Care - Children's	+7	NA

As the table shows, adult social care services have not been exempt, particularly in councils with the higher reductions in government funding such as Cambridgeshire (see *The Crisis in Social Care*, above). It is not at all surprising that cuts are being made in adult and children's social care because previously nearly 60 per cent of total local authority spending was on those services. Despite the disproportionate cuts made elsewhere since 2010-11, the overall reduction in central government funding is so large that it has not been possible to protect these vital care services altogether. The loss is aggravated by the large cuts in discretionary local authority services, such as housing advice and specialist services for young people.

The national experience is reflected in and around Cambridge. The County Council's RSG has reduced in cash terms from £85.9 million in 2013-14 (out of a projected total budget of £539.4 million) to £52.9 million in 2015-16 (out of £533.7 million). The government has not published local council figures for 2016-17 onwards, but County Council officers calculate that its RSG will reduce further to £35.1 million in 2016-17, £19.4 million in 2017-18 and £0.9 million in 2018-19. In short, a vital source of funding will become insignificant. This will affect general spending in particular as the reductions in adult social care will be moderated to a small extent by one of the new ring-fenced national grants, the Better Care Fund.

The County Council has already made recurrent annual savings of £138 million from 2010-11 to 2013-14, with further recurrent annual savings of around £38 million due to have been made in 2014-15. The council estimates that the annual "budget gap" - between likely funding and spending required to avoid making savings on 2013-14 service levels - was £38.2 million in 2014-15, rising to £149.1 million by 2018-19. Cash limits to deal with this dire financial situation have been set for each service to reduce spending to cover the total gap and identify the savings needed. These are the absolute amounts of money for each of the next five years that services can spend, within which inflation, demographic growth and additional statutory responsibilities will have to be met.

All the service budgets will take severe hits. A crucial service budget vital for social justice - the Children's, Families and Adult Services (CFA) budget - is set to reduce in cash terms from £352.4 million in 2014-15 to £347.7 million in 2015-16 and £336 million by 2018-19, that is by 7 per cent in cash terms, even with Better Care Funding. As inflation, demographic pressures and new responsibilities have to be met within this cash sum, the real reduction is much larger and service reductions are inevitable. As reported above, the executive director of CFA reported to councillors in 2014 that it was "now in a position of having to consider what might previously have been considered unthinkable." Significant reductions in both adult and children's social care are inevitable.

Cambridge City Council is also badly affected by reductions in government grant. The council's 2015-16 budget includes a swathe of actions to make savings of £1.22 million, and to make significant contributions to its overall savings target of £6 million over five years. This is in the context of the council's net service budgets in 2014-15 totalling £19.8 million. A significant element of the savings requirement arises from the reduction in the government's "core funding" to the council which has gone down by 40 per cent since 2010-11. (The council includes business rates as well as RSG in "core funding".) In 2015-16 alone that funding reduced by 15.1 per cent to £6.9 million, and the council is planning for continuing annual reductions in core funding of around 13 per cent in each of the four years from 2016-17 by when RSG will have been removed altogether. Between 2014-15 and 2015-16 the RSG decreased from £4.3 million to £3 million, a reduction of 30.1 per cent.

Reductions in government earmarked funding add to these pressures. The total subsidy for the delegated responsibility for Council Tax Support reduced from £709,000 in 2014-15 to £603,000 in 2015-16 (minus 15 per cent), and is likely to reduce further in future years.

This report is about social justice. But we must also draw attention to the sheer range and variety of local authorities' responsibilities and the public's rising expectations of services people see themselves entitled to receive at a time of additional unfunded statutory duties, huge demographic change, the costly failure of the private housing market, and the enforced dwindling supply of social housing at reasonable rents. The scale of these responsibilities brings to light the significant contribution that local government makes to the commonwealth and to the poor and vulnerable. That contribution has been compromised and is now at great risk.

FINALE

Conclusions and Recommendations

Social injustice on the scale set out in this report should not be tolerated in our prosperous city. It is an affront to us all and harms us all. The condition of the most disadvantaged must be improved for their sake - and for all of our sakes as citizens.

National government action is critical to successful resolution of the gross inequalities in our community. It is not our purpose, however, to recommend such action as many others are engaged in that debate. Our attention in this report is focused on action local to Cambridge. While there is clearly a limit to what can be achieved, local action is essential too, if progress is to be made.

The priorities we have chosen are:

- A. to create and sustain wider interest in inequality and social justice in Cambridge;
- B. to channel the city's collective energies into a small number of practical improvements for the most deprived members of our community.

Informed interest in social justice

There is a lack of readily available information about social injustice in Cambridge - and a related lack of attention to it. Therefore, we recommend that a Cambridge university department or body, or college, set up an activity independent of government to obtain, maintain and disseminate information on social justice in Cambridge from existing sources and new research; and that funding be sought to establish this project on an academically credible basis with the additional purpose of promoting informed debate. An annual report on inequality and social justice in Cambridge should be established informed by this work.

The Cambridge Commons will initiate an alliance of like-minded organisations and individuals to campaign, lobby and spur action - as a network, not another organisation; and will seek to interest others who can contribute to the practical improvement of social injustice in Cambridge - a "Cambridge Commonwealth"?

Practical improvements

We recommend an emphasis in the first instance on the following basic human needs:

> *Income & employment:*

- A widely-based "Cambridge Living Wage Campaign" enhancing the City Council's and students' welcome initiatives by engaging the interest and commitment of others in the City, including employers and voluntary organisations;
- At an early date, Cambridgeshire County Council and other key employers should pay the Living Wage at current rates to all of their directly employed and outsourced staff;

- Calculation and promotion of a "Cambridge Supplement" to the Living Wage. Cambridge has London costs and London, rightly, has a London Living Wage Supplement to reflect its additional costs. Therefore, workers in Cambridge need a supplement reflecting Cambridge's living costs so that it is truly a wage upon which people are able to live in the city;
- Identifying employers in Cambridge who fail to comply with the legal requirement to pay the National Minimum Wage to employees, encouraging them to take the action needed to comply fully with it; and, where necessary, publicising employers who persistently fail to comply; and
- Cambridge's universities and colleges to set up a well-designed and supported work experience programme for young people in the city.

> *Benefits:*

Advice and advocacy services are often overwhelmed by demand from destitute and desperate people trying to cope with the complexity, chronic delays, punitive sanctions, over stretched staff and demeaning inhumanity of the benefits system:

- The staffing of the Cambridge & District Citizens Advice Bureau should be strengthened to offset the government's removal of its funding for benefits advisers and in anticipation of this year's introduction of Universal Credit;
- An urgent review should also be carried out to identify other top priorities for investment in skilled advice and advocacy, including help to people and carers coping with the complexity of getting access to scarce publicly funded social care;
- An information and practice exchange network should be set up linking the CAB, voluntary and faith groups providing advice and practical assistance to disadvantaged people. This network should have two aims: first, to share experience in order to improve the overall quality of their assistance and policies; and as important, to use their joint experience to inform the policy and practice of the two local authorities;
- The future of the Cambridgeshire Local Assistance Scheme should be secured from 2016-17 onwards with at least the 2014-15 level of funding, together with improved promotion so that assistance gets to those who need it;
- The City Council's welcome decision to maintain Council Tax Support at the same level as the former entitlement to Council Tax Benefit should be maintained in future years;
- The City Council's budget for Discretionary Housing Payments should be set at the maximum level that the statutory regulations allow of two and a half times the government's contribution.

> *Housing & heating:*

To complement the welcome development of new council housing at social rents, a well worked out private rented sector campaign, led by the City Council, should be agreed and implementation started within a year. This should build on existing initiatives and focus on the achievement of the national Decent Homes standard and reasonable rents which Cambridge citizens can afford. This should include:

- Encouraging responsible landlord companies to invest in the development of new rented housing with reasonable rents and return on capital invested;

- Encouraging the establishment of modern charitable trust and co-operative housing for social rent, and co-operating with existing co-operative associations, in terms of the provision of suitable sites for development;
- Active promotion of existing schemes to improve the energy efficiency of homes;
- Supporting the Cambridge Foodbank to expand its fuel voucher scheme;
- Ensuring the proactive enforcement of the Decent Homes standard in private rented housing by strengthening the City Council environmental health service's capacity to take necessary action;
- Identifying the number of hidden homeless people in Cambridge in addition to the existing counts of people sleeping rough - and deciding upon the top priority action needed to improve existing efforts in these areas of need, for example, by encouraging the establishment of a Centrepoint service for homeless young people in the city.

These recommendations are not as ambitious as they need to be, or as we would wish them to be, given the scale of the action needed in Cambridge. Also, they are not tablets of stone. No doubt they would be improved as they were, hopefully, taken forward. While we are impatient of the continuous calls for "realism" in the public finances, made, as they so often are, by those who have much, we are where we are. Consequently, we propose this practical and modest programme for action in the firm knowledge and confidence that Cambridge's collective energies are perfectly capable of its effective and compassionate delivery.

The Cambridge Commons

We are a new organisation for progressive-minded people in and around Cambridge. We aim to be a "hub" organisation, or network, for local citizens and local members of national groups with shared interests in promoting social justice and reducing inequality. We will seek to bring them together to create a real political and social force in the area. For the moment we are a local representative body for The Equality Trust, and we hope to provide a network for Compass, the Fabians and Unlock Democracy.

We have three priorities:

- To make local people aware of the poverty that exists in and around Cambridge and to bring people together to campaign *for* the living wage; *against* the precarious low wage economy; and to *end* the punitive benefits system which is causing hunger and misery to thousands of residents.
- To campaign *for* a more equal society and *against* the rising tide of inequality here and in the country as a whole.
- To draw attention to the absurd cruelty of a housing market that prevents ordinary citizens here from buying or securely renting their own homes, unless their circumstances are so desperate that they qualify for social housing.

There is conclusive evidence on a large range of criteria - e.g., physical and mental health, standards of education, incidence of crime and violence, family stability - greater inequality has adverse effects across the whole of society. Further, inequality does substantial harm to the economy, as the OECD has demonstrated.

We have and will share a positive belief in a communal response to this country's difficulties in place of the neo-liberal economic and anti-state policies that are now supreme. We stand for a public realm of common citizenship in place of divvying up public services and institutions between private owners. **We believe that fairness and a spirit of co-operation between self-confident citizens is the way forward for our society.**

We are holding a major conference, *Magna Carta 2015*, free and open to all at the Cambridge Union on Saturday 6 June, to discuss the future of our democracy, not the past: with David Marquand, Will Hutton, Carly Nyst, John Naughton and others. You can register for the conference at www.unlockdemocracy.org/events

Membership of Cambridge Commons is free and open to all, but we would be grateful for donations so that we can do more. Check us out on our website, www.thecambridgecommons.org. If you wish to join us, you can do so via the website.