

News Austerity Britain

One in five fears losing their job in the next year, Bank warns

Kathryn Hopkins
Economics Correspondent

One fifth of Britons fear they will lose their job over the next year as the Chancellor's swingeing austerity measures take their toll, the Bank of England warns today.

In what will come as a blow to George Osborne as he ploughs ahead with his deficit-reduction plans, the Bank said that the number of Britons concerned that they will join the dole queue because of the fiscal squeeze jumped to 19 per cent, and an additional 7 per cent said they lost their job last year in the same circumstances.

The poll, based on a survey of 2,000 households, comes after last week it was revealed that the number of people out of work was at its highest for 17 years in the three months to October, with the number of unemployed Britons rising by 128,000 to 2.64 million.

The Bank said that nearly half of British households have been affected by the Government's fiscal squeeze this year, while 69 per cent think there will be more pain to come. "There is evidence that the fiscal consolidation is expected to have more of an impact in the future than it had over the past year," said the Bank in its latest quarterly bulletin. "Over the past year the recovery in the UK economy appears to have slowed. That weakness in UK demand has been driven by falling consumption, reflecting the challenging environment facing households."

The increase in VAT combined with soaring energy prices has resulted in more than 50 per cent of households witnessing a fall in their monthly incomes, on by £46 over the past year, according to the Bank. This has led to an increasing amount of Britons struggling to make ends meet, with 7.5 per cent of people falling behind on their



Unemployment is highest in 17 years

bills this year, up from 4.1 per cent in 2010. The Bank said that the situation was made even more difficult for consumers, with more than 30 per cent of households reporting that it has become harder to borrow to finance spending over the past year.

This came as Lloyds TSB said that Britons' spending power plunged last month to its lowest level this year amid low wage growth and the soaring cost of essential items. A fall in spending power was driven by a sharp fall in income growth and rising spending on essentials. Incomes grew by 1.9 per cent in the year to November, while spending on essentials rose by 3.9 per cent in the same period. This means consumers have the equivalent of around £20 less available to spend each month.

"Income growth slowed noticeably and inflation remained high. This fall in real incomes more than likely reflects a deterioration in the labour

'Over the past year the recovery in the UK appears to have slowed'

market, with public sector job cuts and uncertainty over the wider economy affecting companies' hiring plans," said Patrick Foley, chief economist at Lloyds TSB. A separate survey by Deloitte found that one in five households has seen its income fall in the last quarter through unemployment, loss of bonuses, overtime reductions and because part-time working is becoming more common.

In response, the accountants said that consumers are cutting back across all discretionary categories. More than 40 per cent of consumers are spending less on entertainment and 36 per cent spending less on clothing.



Barely a year after he was spending his nights on the streets of South London,

Joel Hodgson is back in accommodation and has a £30,000-a-year position at Freshfields, a leading law firm

Crisis prepares a warm welcome for its busiest Christmas in a decade

Rosemary Bennett
Social Affairs Correspondent

The homelessness charity Crisis is braced for its busiest Christmas in a decade with more than 3,000 people expected to take shelter at its centres across London from this Friday.

The centres stay open for a week and the charity is relying more than ever on the corporate world to offer donations, free goods and volunteers so that the operation can get off the ground.

Crisis at Christmas is a huge operation requiring 8,000 volunteers to kit out the centres, cook 30,000 meals and provide a range of health, hygiene and employment services for the homeless who will visit during Christmas week. Nearly 4,000 people have slept rough in the capital in the past year — an increase of 8 per cent. Homelessness overall is also on the increase, along with the number



of people living in temporary accommodation.

More than 13,000 items have been donated to Crisis at Christmas this year, from turkeys to tinsel, and frozen peas to dentistry equipment. Leslie Morphy, chief executive, said that there had always been a special connection between the business world and Crisis at Christmas.

"Companies support the cause very strongly. I think it is because homelessness is so visible in London, and staff see it as they are coming and going," she said.

This year, HSBC and Morgan Stanley have supplied and fitted out the crisis centres with IT resources. GlaxoSmithKline has provided equipment and medication for health-care centres, which offer everything from TB screening to dental fillings. Tony & Guy, the hairdressers, has provided hair-cutting equipment and Wahl, the manufacturer, clippers. Staff from Tata, the Indian conglomerate, worked in the warehouse last week, packing up pots and pans and bed rolls.

Ms Morphy was surprised to hear that the Occupy protesters had extended an invitation to the homeless to join them for a party outside St Paul's Cathedral over Christmas.

"They haven't talked to us about it. I certainly think homeless people should be given warmth and companionship and hot meals, and if the St Paul's protesters can do that, it is something. But we've been doing this for over 40 years and we do more than offer the bare necessities," she said.

Rough sleeper joined law firm

Case study

Joel Hodgson has had his ups and downs (Alexi Mostrous writes). The 24-year-old played football for England juniors before moving to Scotland and then passing eight GCSEs and a sports science BTEC.

But there were no jobs, and when his girlfriend was assaulted in her home they moved out, becoming just another young unemployed couple sleeping rough in London.

Barely a year later, Mr Hodgson is not only back in accommodation but has a £30,000-a-year job at Freshfields, one of the world's leading law firms.

His unlikely story is a lesson in how homelessness can be transformed — with the help of a £2 magazine and a large dose of corporate responsibility.

"The first night was the worst," he said. "You don't know if you're going to make it through the night. When you're sitting on some steps freezing at 2am you ask yourself what the hell is going on."

He found help at the *Big Issue* office in Vauxhall bus station. For the past 18 months, the charity has been offering bankers, BBC executives and lawyers the chance to experience life on the streets.

Hundreds have signed up to "volunteer days", where they accompany magazine vendors.

Initially, Mr Hodgson just sold magazines. But after a few weeks he was asked to co-ordinate volunteer days at Freshfields, explaining to lawyers how to sell 30 *Big Issues* and handle the inevitable abuse.

As part of the deal, he was allowed to sell the magazine in its offices. "I'd sell in a day maybe what I'd sell in a week on the streets," he said. "At the same time, I was given IT skills and allowed to work in the gym. I was made to feel part of the firm."

At the beginning of last year he was offered part-time work in human resources. "That turned into two weeks in the billing department," he said. "I ended up temping for six months and then someone emigrated. A position became available, I applied, went to the interview and got the job."

This Christmas, living conditions for Mr Hodgson are "100 times better" than last year. He believes that too many companies are failing to tap into a potential workforce. "There's a lot of big companies that could be doing more," he said.

St Paul's protesters plan a two-week party as eviction fight goes to court

Fay Schlesinger

A High Court bid to evict protesters camped outside St Paul's Cathedral will begin today, as demonstrators plan a fortnight-long party over Christmas and new year in celebration and defiance.

Campers from Occupy London said that they would "throw open" the scores of tents outside the cathedral to revellers and especially the homeless. There will be live music and free food, including roast turkey on Christmas Day.

Last night, the plans had yet to be approved through the protest's consensus decision-making process, but almost every camper that *The Times* spoke to said they were spreading the message about a "big family bash" that could attract thousands of people.

Protesters were also discussing a proposal to reduce the number of tents outside the cathedral and make them "non-residential". People would sleep at another occupied site a mile away. The group is not entertaining the idea of leaving completely, a spokesman said, and it had yet to reach the consensus required for every decision.

Ronan McNern said: "There is a proposal for radical restructuring — to turn St Paul's into a public space with a bigger welcome tent, and tents for all the working groups. Campers could stay at Finsbury Square and the Bank of Ideas [an occupied building in Hackney] would be for working. We are about to go into a severe winter and need to think creatively so we remain comfortable and safe. A symbolic tent would not be enough and I don't think there's any question of leaving completely."

The trigger for the debate was a list of six proposals from St Paul's Cathedral, including a "limited presence" of one information tent outside, a symbolic tent inside and regular meetings on the steps.

Relations between the protesters and the cathedral are strained, and there are concerns that celebrations could disrupt services including midnight Eucharist on Christmas Eve and Holy Communion early on January 1. Michael Bell, 38, a gardener from Liverpool who quit his business to join the camp, said: "There'll be 300 singers on the steps of St Paul's on Christmas Day. We will be heard around the world enjoying ourselves."

Richard Trevan, 55, a retired chiropract and musician, said: "We are going to have a party, and throw it open to the homeless, to everyone. The next phase is actually to make this camp more mellow... but at Christmas it'll be inspirational — one big family celebrating."

The area to the north of the cathedral is strewn with scrap wood, cardboard boxes and broken tents. Among the only signs of festive cheer are two Christmas trees: one decorated with surgical gloves and urine sample bottles and another adorned with deflated balloons. Claims of poor sanitation, obstruction of the public highway, damage to local businesses and disruption at the cathedral, including intimidation of staff, will form the basis of the

Profiles

Tammy Samede, 33

The camp's lead defendant threatened to pull out of the case last week and leave in disgust over in-fighting, violence and alcohol abuse. "I came to Occupy for politics," she told a general assembly. "I'm supposed to be in court on Monday. I'm afraid that's not going to happen." She changed her mind next morning. Ms Samede is an unemployed mother of four from Crawley, Sussex. She has suffered from depression and has pushed for improvements to mental health services. Should she lose, Ms Samede's costs will be met by the Corporation of London.

George Barda, 35

educated at Winchester College and then University College London, after switching from a law degree at St Hugh's College, Oxford, Mr Barda has spent his career campaigning on social and environmental issues. Most recently he carried out street fundraising for Greenpeace. His father, Clive Barda, is an arts photographer. Mr Barda is representing himself to air his views on social injustice. "The court proceeds as if it makes no difference whether we are chewing gum on the pavement or protesting because the world is going to s***... I want them to listen," he said. He is liable for costs if he loses, but has no assets.

Daniel Ashman, 27

A teaching assistant from Leicester, last month he told of the strains that potential court costs of £30,000 to £100,000 have put on his relationship with his fiancée. In a film about the camp, Mr Ashman said: "She's upset, but she understands what I'm doing... I hope people know that the time I'm taking here is borne out of love." He is representing himself.

Corporation of London's civil case when it starts in the High Court today. During an initial hearing, David Forsdick, for the Corporation, said that removal of the camp was "a pressing social need in order to protect the rights and freedoms of others". The protesters, represented by John Cooper, QC, will argue that such concerns are outweighed by the right to freedom of expression and the right to protest, under Articles 10 and 11 of the Human Rights Act respectively.

Thousands at risk of their losing homes

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Paul Wenham, chief executive of the Mustard Tree, a homeless charity in Manchester, said that more and more people were turning up in need of help. "It is alarming to see what is happening. It is terrible, and particularly at this time of year," he said.

Mr Wenham said that the cold weather and the festive period made it particularly difficult for people losing their homes. His charity has noticed a rise in people made homeless after losing their jobs, resulting in a double whammy. From next month claimants renting in the private sector will have their benefit capped and will also be forced to find accommodation among the cheapest third of properties. Those living in a more expensive property will



"We're not really homeless, kids. That's just what we've told Grandma"

have to move or make up the shortfall. Payments of housing benefit have also been capped at £250 a week for a one-bedroom property to £400 a week for a four-bedroom property, the new maximum payment.

Grant Shapps, Housing Minister, said that homelessness was still lower than in 28 of the last 30 years, but households would be helped if they were in difficulty. "It's easy to feel alone in the face of financial difficulty but there is help available," he said. Duncan Shrubsole, director of policy at Crisis, called the figures "very worrying". "Research said homelessness would get worse as the downturn continues," he said. Joblessness is forcing people on to the street

