



**LOW PAY
&
AFFORDABLE
HOUSING**

LIVING WAGE

What is it?

The Living Wage is a voluntary hourly rate set independently and updated annually by the Living Wage Foundation.

It is calculated according to the basic cost of living in the UK. The current UK Living Wage is £8.25 per hour and £9.40 in London.

The government rate is separate to the Living Wage rate calculated by the Living Wage Foundation.

Good for Families

The Living Wage allows the opportunity for people to provide for themselves and their families. 50% of employees felt that the Living Wage had made them more willing to implement changes in their work.

Minimum Wage 21-24	Minimum Wage 25+ (‘national living wage’)	Living Wage
£6.70	£7.20 from April 2016	£8.25 across the UK and £9.40 in London
Law	Law	Voluntary
21 and older	25 and older	18 and older



Good for Businesses

Studies found that the business benefits of implementing a Living Wage policy in London found that more than 80% of employers believe it had enhanced the quality of the work of their staff whilst those who abstained had fallen by approximately 25%

The National Living Wage is only £7.20 per hour across the whole of the UK, as opposed to £8.25 across the UK and £9.40 in London

Good for Society

Living wage can be part of the solution to tackling poverty in the UK. It can also allow people to work less hours and have more time with their family.

MINIMUM WAGE

What is it?

The National Minimum Wage is minimum hourly rate employers can pay their employees according to their age.

October 2016

25 and over	£7.20
21 and over	£6.95
18 to 20	£5.55
Under 18	£4.00
Apprentice	£3.40

April 2016

25 and over	£7.20
21 to 24	£6.70
18 to 20	£5.30
Under 18	£3.87
Apprentice	£3.30

October 2015

21 and over	£6.50
18 to 20	£5.13
Under 18	£3.79
Apprentice	£2.73

October 2014

21 and over	£6.31
18 to 20	£5.03
Under 18	£3.72
Apprentice	£2.68

It is set annually on the basis of recommendations from the Low Pay Commission: an independent body of employers, unions and experts. Introduced by Labour on 1st April 1999.

The Tories opposed the introduction of a minimum wage. They said it would cost two million jobs. It didn't.

More than 13 million people in the UK live in low-income households. Low pay is defined as a household earning less than the 60% of the national median pay.

We're facing the tightest living standards squeeze for nearly a century as inflation continues to increase. Since 2008, the UK has seen negative real wage growth.

Pay at the top continues to rocket, fuelling inequality and excessive financial risk taking. Over the last decade, only a fifth of low-paid workers managed to move to better paid jobs.

Low pay affects many UNISON members. Although there is a national minimum wage in place, there are still many members who are living in poverty.

0 HOURS CONTRACTS

A zero-hours contract, or casual contracts, allow employers to hire staff with no guarantee of work, meaning employees only work when they are needed.

801,000 workers on zero-hours contract for their main job in 2015, up by 104,000 from a year earlier. This means that 2.5% of the employed UK workforce are on such a contract.

As many people from working families are now in poverty from workless ones, partly due to a vast increase in insecure work on zero-hours contracts.

Those on zero-hours contracts are more likely to be young people, part-time workers, women, or in full time education when compared to other workers.

TUC research found that average weekly earnings for workers on a zero-hours contract were £188, compared to £479 for permanent employees.

UNPAID INTERNSHIPS

Internships are sometimes called work placements or work experience. These terms have no legal status in the UK. The rights that an intern has depends on their employment status and whether they're classed as a worker, a volunteer or an employee. Only those who qualify as an employee are eligible for employment rights. This leaves those who are unpaid interns extremely vulnerable in the workplace.

In addition they are expected to meet everyday living expenses on a low or nominal income when the cost of living is so high. Many simply can't afford the opportunity of an unpaid internship, especially those from a low-income background.

It is not fair that only those who can afford to take an unpaid work placement are able to partake in such opportunities which benefit their career in the long term.

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HOUSING CRISIS

The nation faces a desperate housing crisis. We need to build at least 250,000 homes per year to meet housing demand but less than half the homes we need are being built.

When the coalition government came to power in 2010, capital investment in new affordable homes was cut by 60%

The acute shortage of housing has led to spiralling rents and house prices across the nation causing an affordability crisis – especially for young people.

As a result there is an increase in overcrowding, evictions, rent arrears and homelessness.

That is why UNISON is campaigning for urgent Government action to deliver more social and affordable housing.

Poor housing impacts negatively on individual quality of life, education, work effectiveness and the economy!

UNISON is calling on the government to address the housing crisis by taking urgent action to invest in a national house building programme to increase the supply of all types of housing, particularly social and affordable housing provided by councils and housing associations.

HOUSE PRICES

- ◇ Tenants are paying more for the roof over their head than homeowners in the UK. Young people are being caught in a "rent trap" as housing costs are taking up so much of their income that they are struggling to save enough to buy a home of their own.
- ◇ Because owner-occupiers with mortgages also tended to earn more than those in the rented sector, tenants spent 40% of their income on rental payments, while owner-occupiers spent just 20%.
- ◇ In 2008-9, 21% of households buying with a mortgage were aged below 35 but this fell to 18% in 2012-13. In comparison to an increase of 31% to 45% of households aged 25-34 who were privately renting.
- ◇ House prices continue to increase as it becomes more difficult to obtain a mortgage, thus homeownership is at its lowest level for 25 years.
- ◇ As well as saving up a 10-20% deposit for a mortgage, buying a home also entails other costs such as mortgage set up fees, valuation fees, higher lending charge, council searches, solicitors fees, stamp duty and survey costs.
- ◇ House prices in the South West are forecast to outstrip salary rises next year with a 5% rise, according to the latest projections. Surveyors say supply problems because of a lack of house-building will push-up prices further in 2016.
- ◇ The latest figures from the Land Registry showed a 5.3% annual rise in the six-county region, including Bristol, meaning the average home worth £194,827.
 - ◇ 2.8 million people in 2015 were living with parents to save for a mortgage of their own, an increase of 32% on 2014.
- ◇ A fifth of young adults are staying in the family home until they are at least 26, and the same proportion are not paying a penny towards their keep due to low pay.

BENEFITS

What is “LHA”?

Local Housing Allowance, or LHA, is a set figure by the government for those who claim housing benefit on private rent. Your LHA rate is assessed as how many people in your household require a bedroom. Extra bedrooms can be allowed in certain circumstances, but generally one bedroom is allocated for: an adult couple, any other person ages 16 or over, two children of the same sex up to the age of 16, two children regardless of sex under the age of 10, any other child.

If you're a single person under the age of 35 without any children who live with you, you are usually only entitled to LHA at the reduced shared accommodation rate.

Adult children in the household are called 'non-dependants'. A non dependant deduction, a set rate according to earnings, is taken from the claimant's maximum benefit as an expectation to pay toward the rent. Non-dependant deductions are calculated on gross pay, meaning they do not take tax, national insurance, or pension contributions into consideration.

In April 2015, the government imposed a minimum 4 year “freeze” on LHA rates increasing, even though rent prices continue to rise.

In the 2015 Summer Budget, the government announced it was planning to remove the automatic entitlement to the housing costs element of Universal Credit from 18 to 21 year olds claiming from April 2017 onwards.

Universal Credit has been introduced to replace many benefits, including housing benefit. Some working people claiming housing benefit currently have between £5-£42.10 of their earnings disregarded for calculating entitlement.

Universal Credit will make working claimant's worse off as there will be no earnings disregard.

Other regulations are also becoming stricter due to welfare cuts, for example backdating can only be considered for up to 4 weeks from April 2016, previously up to 6 months.

HOMELESSNESS

Homelessness is up 54% since 2010. A report by the Department for Communities and Local Government reveals there was a rise of 6% for 2015-16 from 2014-15, the sixth consecutive annual rise.

The proportion of young women in homelessness services rose to 46% in 2015 from 40% in 2014.

44% of young people in homelessness services are aged 18-21 and non-care leavers.

Number of households becoming homeless in England



Made with Chartbuilder

Data: Department for Communities and Local Government

Thousands of 18-21 year olds are at risk of homelessness due to benefit cuts.

Many people who become homeless do not show up in official figures. This is known as hidden homelessness.

Homelessness can have a serious impact on young people's lives. Experience of homelessness at a young age is proven to increase the risk of becoming homeless again and developing complex problems in later life.

WE ASKED YOU AND YOU SAID...

We asked 18-30 year olds how low pay and lack of affordable housing affects them, here are our results...

62% of respondents said it had contributed toward financial difficulty and debt.

34% of respondents said it had contributed toward mental health issues.

57% of respondents said it would potentially deter them from relocating or starting a family.

46% of respondents lived at home with parents, 83% of whom did so because they could not afford a place of their own.

31% of respondents rented privately compared to 12% who were home owners.

JOIN US IN THE CAMPAIGN

- 1 Write to your MP** highlighting the issues in the leaflet can find their details on 'www.theyworkforyou.com'.
- 2 Join UNISON** and encourage colleagues and friends to do the same
- 3 Join the regional Young Member Forum** to get involved in our organised schedule of activity

It's clear to us that low pay and high rents and house prices are affecting many people in the UK, young people in particular. Young people are a vulnerable group within society, often discriminated against. It's not just about earning more money and paying less for a roof over our heads to have a larger disposable income, it's about increasing opportunity and general well being. We as UNISON members are campaigning to raise awareness of the issues that we found matter to young people the most.



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www.unisonsouthwest.org.uk/equality/young-members.ashx

