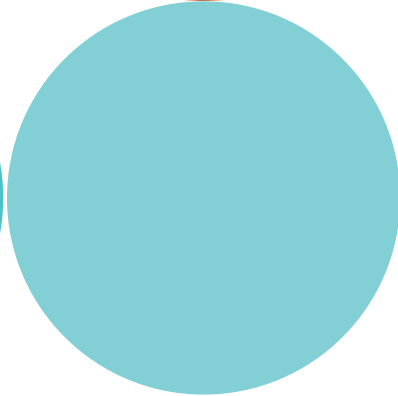
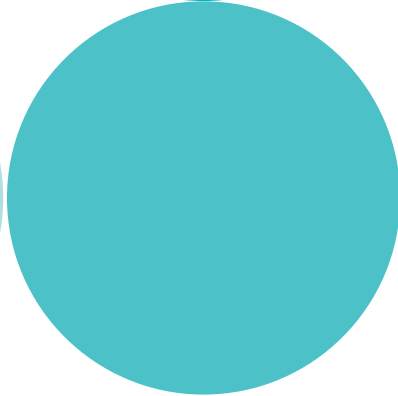
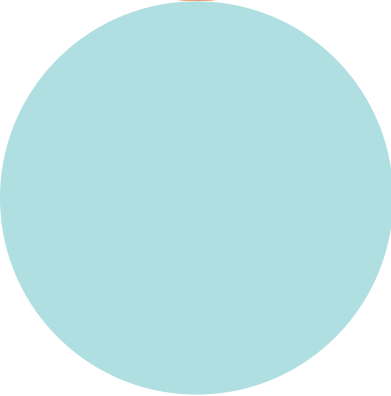
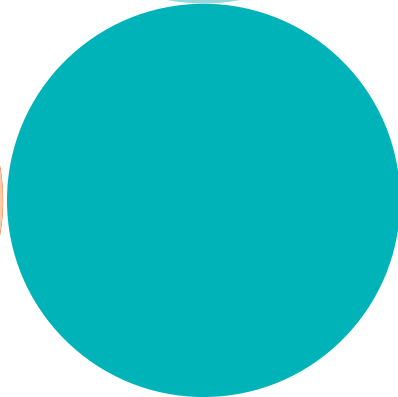
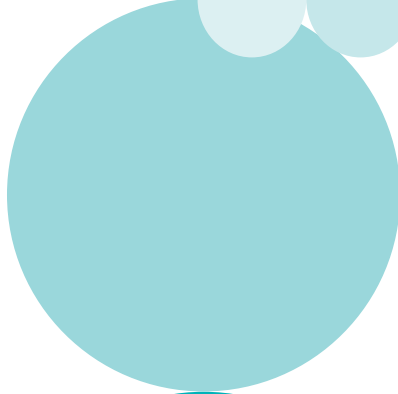




**Usdaw**

*Union of Shop, Distributive  
and Allied Workers*



# The Cost of Living Crisis

Executive Council Statement  
to the 2015 ADM



**Many Usdaw members are facing a cost of living crisis. This Executive Council Statement looks at how Usdaw members are being affected by the cost of living and makes policy proposals on how the Union should respond.**

The Coalition Government claims that the austerity measures are working and the economic recovery has started. But the recovery is not being felt by workers across the economy.

It is clear we are seeing a real cost of living crisis. Gas and electricity bills keep rising and a shortage of affordable housing is leading to higher and higher rents and more expensive house prices. The cost of many day-to-day household bills is rising faster than inflation.

Workers' incomes have not kept pace with inflation. Over the last five years, the real value of average wages has fallen. This is the biggest squeeze on household incomes for over 100 years.

The Union wanted to gather evidence on how the cost of living crisis is impacting on Usdaw members. An online survey was launched to identify how the cost of living was affecting members and to get members' views on the policies needed to tackle the crisis.

This Executive Council Statement reports and analyses the results of the survey and puts forward important policy conclusions. Usdaw believes in evidence-based campaigning and the survey provides the Union with detailed evidence on how the cost of living crisis is affecting Usdaw members.

This statement is also a policy statement proposing how the Union should respond to the cost of living crisis. The statement details the proposals the Union has been advocating, identifies the policies needed and outlines how the Union is campaigning and lobbying.

The cost of living is a real crisis affecting many households across the UK. The benefits of whatever recovery is taking place are not being shared equally – many workers are not feeling the recovery. We need the Government and employers to recognise and respond to the pressures on workers' incomes.

This Executive Council Statement makes the case for radical action to tackle the cost of living crisis.

A handwritten signature in blue ink that reads "John Hannett". The signature is written in a cursive, flowing style.

**John Hannett**  
**General Secretary**

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**The Trade Union Movement has talked about the cost of living crisis but the Coalition Government and sections of the business community say the economic recovery is here. So, is there a cost of living crisis?**

**This section looks at some of the press coverage reporting on the cost of living. Often, these reports are drawn from newspapers that would not usually be seen as friendly to trade unions!**

### **‘Living standards down over 13% since start of recession’**

**The Telegraph, 23 October 2012**

The Telegraph carried an article reporting that: ‘The decline in living standards in Britain has been deeper and longer lasting in the current recession than in the previous two, according to the Office for National Statistics’. The report showed that net national income has dropped significantly because of rising prices. This recession has had a worse impact on living standards in Britain than previous ones, as national and household incomes fell by more than 13% between 2008 and 2012. In recessions during the 1980s and 1990s, incomes had recovered to pre-recession levels within about three years, but this time the cost of living has been affected by rises in fuel, utility bills and food as well as unemployment and housing.

### **‘How the cost of living has risen four times faster than our pay in the past five years’**

**Daily Mail, 13 March 2013**

The Daily Mail reported that: ‘Essential bills for food, heat, light, transport and insurance have soared by 25% in only five years research reveals. The increase is four times higher than the rise in salaries over the same period, confirming the longest squeeze in a century’. The article highlighted research by uSwitch that found over half of people surveyed were worried about rising living costs; nearly three-quarters said their finances were worse since the Coalition came to power.

Monthly household bills for essential items such as food, heat, light, transport and insurance increased 25% from the start of the recession in 2008 to 2013, while ‘wages have risen by 6% over the five years’. Gas and electricity rises meant the average energy bill was over £1,300 per year, and the average household food bill had increased to £256 per month.

### **‘UK living standards drop to lowest level in a decade’**

**Financial Times, 14 June 2013**

The Financial Times, using information from the Institute for Fiscal Studies, reported that ‘official figures showed that UK living standards had dropped to their lowest in a decade after average real incomes fell a further 3% last year (2012)’. The article also reported that ‘annual data from the Department for Work and Pensions told a similar story of falling median real incomes’. The Department for Work and Pensions released information showing real wages were falling behind the cost of living ‘due to a combination of pay freezes and economic restructuring’.

### **‘The cost of living is rising faster in the UK than anywhere in Europe, with soaring food and energy bills blamed’**

**Daily Mail, 16 October 2013**

The Daily Mail reported that: ‘The cost of living in Britain is rising faster than anywhere in Europe... The big squeeze on family finances is being exacerbated by wages failing to rise in line with prices... Family finances are still under pressure with pay up just 0.7% year-on-year while inflation is up 2.7%’. The article reports that average inflation in the UK at the time of publication (October 2013) was 2.7% – double the European Union average of 1.3%.

## **‘The poorest pay the price for austerity: Workers face the biggest fall in living standards since the Victorian era’**

**The Independent, 9 December 2013**

The Independent reports that the ‘biggest drop in living standards since the Victorian age is seeing low and middle earners suffering an unprecedented squeeze on their incomes as austerity measures continue to bite, with women and part-time workers disproportionately affected’. The article quotes research from the New Economics Foundation that ‘workers on low and middle incomes are experiencing the biggest decline in their living standards since reliable records began in the mid-19th century’. Pay freezes and below-inflation pay rises have led to ‘wages steadily lagging behind prices’.

## **‘Real wages have been falling for longest period for at least 50 years’**

**The Guardian, 31 January 2014**

The Guardian has found that ‘real wages have been falling consistently since 2010’. Real wages have fallen by 2.2% in the last five years. This is the longest period of a decline in real wages since the 1960s. A report by the Institute for Fiscal Studies found that living standards are dramatically down on what they were before the global financial crisis hit in 2008.

## **‘Cost of living crisis: We are £40 a week worse off under the Tories’**

**Daily Mirror, 22 March 2014**

The Daily Mirror reports that ‘workers have been hit by a £40 a week pay cut since the Tory-led Coalition came to power. Average earnings adjusted for inflation have dropped by 7.2% since 2010 – leaving millions of workers more than £2,000 a year worse off’. The article is based on TUC analysis of earnings data released by the Office of National Statistics.





**The news headlines show there is a cost of living crisis but what is the impact of this crisis on the day-to-day lives of ordinary people? In this section, we highlight some of the key factors in the cost of living crisis.**

### The Housing Crisis – Generation Rent

Paying the rent or the mortgage is the biggest weekly/monthly bill most households face. Inflated house prices, large mortgage payments and big deposits mean that many workers are now priced out of owning their own home with more and more people renting.

The growth in the rental market has increased rents to well above the pre-downturn rates. The cost of rented accommodation has pushed the finances of hard-up families to breaking point. The number of working people relying on housing benefit to pay rent has doubled in the last five years to nearly one million.

The average UK home now costs over £200,000. In the 1980s the average home cost around four times the average wage, today that figure is more like 8.5 times the average wage.

Since the financial crash, many banks and building societies are requiring deposits of up to 20% when house buyers purchase a property. Big deposits and high house prices mean that many would-be first time buyers can no longer afford to get on the property ladder. Even for those who manage to buy a home, more and more are now finding themselves saddled with mortgages they struggle to pay.

Affordable housing is in very high demand. People queuing for social housing face a long wait before they get a property meaning many families are stuck in the over-priced private sector.

### Gas and Electricity Bills – Fuel Poverty

The cost of gas and electricity bills has been soaring in recent years. Household energy bills have risen by £300 since 2010. According to the latest Government figures, there are today over two million households in fuel poverty.

Rising household gas and electricity bills contrast sharply with the fall in international oil prices. Oil prices are at a five-year low, yet the fuel bills for consumers keep going up. Low international prices for fuel are not being passed on as savings to households. If wholesale energy price reductions were passed on by the suppliers to the household consumer it would cut gas and electricity prices by 4-10%.

### In-Work Benefits – Cuts and Changes

Changes to benefits have compounded financial hardships. In-work benefits such as Child Benefit, Tax Credits, Jobseeker's Allowance, Housing Benefit and Income Support have only been increased by 1% for three years to 2014 – rather than increasing in line with inflation.

The Disability Living Allowance has also been abolished and the Personal Independent Payment implemented.

The Conservatives are also looking at freezing Child Benefit, Tax Credits, Jobseeker's Allowance, Housing Benefit and Income Support for two years if they get re-elected. They also want to scrap housing benefit altogether for anyone aged 18-21.

### Average Earnings Continue to Flatline

The average earnings figures are a true reflection of workers' incomes as it looks at more than just basic pay – it also includes overtime, premiums and reflects hours worked.

Across the economy, short-hours contracts combined with fewer additional hours being available means that average earnings have fallen further behind inflation. If average earnings across the UK continue to flatline, workers' living standards will fall as increases in the cost of living bite.

## Pay Rises – Not Keeping Pace with Inflation

Pay rises have not kept pace with the cost of living. This means that the real value of wages is falling. In other words, there has been a real wages pay cut.

Across the economy in the last five years, workers have received an average annual pay rise of 1.3%. Over the same period, inflation averaged over 3.5%. This adds up to a significant fall in real wages.

In the current tough economic climate, Usdaw has consistently negotiated above-average pay settlements for our members. In the last five years, Usdaw members have benefited from pay rises averaging at 2.2%.

In 2011, pay increases across the economy dipped below 1% and the average pay rise received by Usdaw members was over 2.5%. 2012 saw pay rises across the economy remain at 1% while Usdaw members were getting pay increases of 2.15%.

In 2013, across the economy pay rises had recovered but were still below 1.5%, while Usdaw members were getting average pay increases of 2.12%. 2014 did see a narrowing of the gap with the economy-wide pay rise at 1.64% and the Usdaw members' pay rises averaging at 1.89%.

Although Usdaw has been successful in delivering above-average settlements, pay rises have been outstripped by inflation meaning incomes are under real pressure from the cost of living crisis.

Inflation, UK Pay Rises, Usdaw-Negotiated Pay Settlements and Average Earnings				
	Inflation (RPI)	Average UK Pay Rise	Average Usdaw Members Pay Rise	Average Earnings
	%	%	%	%
2014	2.3	1.64	1.89	0.9
2013	2.7	1.49	2.12	1.0
2012	3.1	1.00	2.15	1.4
2011	4.8	0.99	2.51	2.0
2010	4.8	1.42	2.33	2.3



## Section 3

### Usdaw Members' Experience – The Findings of the Survey

The Union has recently carried out a Cost of Living Survey. The survey was completed by 2,074 Usdaw members. The full results are outlined in Section 4. This section highlights key findings from the survey. The quotes are comments made by members when completing the survey.

*“It’s just impossible to live anymore. I’m working to live. To just get by.”*

79% of survey respondents felt worse off than they did five years ago. The rising cost of living has put pressure on household finances at a time when incomes have struggled to keep pace with inflation.

*“Even with a full-time job and overtime I struggle every month with bill payments.”*

Day-to-day household bills are putting a big strain on household finances. Over half of the people have missed meals in order to pay their bills, with one in five doing so regularly. Three out of every four members responding to the survey have cut back on other essentials to cover transport costs.

*“I very often go without meals so I can feed my children and put gas and electricity in my meters.”*

Rising household fuel bills have caused particular problems. Four out of every five members reported they struggled at some time to pay gas and electricity bills.

*“We have been behind on rent payments for nearly a year now and the landlord is having none of it. She has visited us three times to discuss rent arrears.”*

Housing costs are a big factor in the cost of living crisis. 43% of people taking part in the survey have missed or been late with rent or mortgage payments.

*“To save on childcare costs we take it in turns booking our holiday times over school holidays which means the whole family is rarely all together for a holiday.”*

A majority of people with children reported they are struggling with rising childcare costs. It is clear that many have had to cut back on their household expenditure. Two-thirds of respondents have not had a holiday in the last twelve months.

*“However many times I do the sums, my pay does not cover my living costs.”*

The economic downturn has put pressure on pay rises with most settlements across the economy registering below-inflation increases. 92% of members replying to the survey report that their pay rises have not kept pace with increases in the cost of living.



*“ We have a three year old girl and both myself and my partner have been made redundant since she was born.”*

The recession also brought redundancy into many households. 29% of Usdaw members responding to the survey report they have been made redundant in the last five years. On closer examination, it became clear that many of these members were made redundant before they joined Usdaw when they worked in other industries and sectors. 57% of people knew a friend or family member who has been made redundant.

*“ It’s back to Victorian days again....”*

The problems in the economy are also hitting the number of working hours available to workforces. Members have struggled to get the hours they need, with many relying on additional hours which are not guaranteed. One in three members reported that they are working fewer hours than they used to five years ago.

*“ I can’t afford to live on the wage we get.”*

The majority of the survey respondents are earning between the National Minimum Wage and the Living Wage. Those earning below a Living Wage are finding it hardest to make ends meet, are cutting back on essentials and are more likely to feel worse off than five years ago. The cut-off threshold for claiming in-work benefits is set very low and means that many members on low incomes are not eligible for support to top up their income.

*“ I am constantly in arrears and always struggling. We can’t get on our feet as we can’t make enough to cover the basic needs.”*

In the survey, we asked members about their experiences of payday loan companies. 18% of respondents have taken out a payday loan. With people struggling to make ends meet and with exorbitant interest being charged we found that four out of every five people taking out a payday loan struggled to keep up the payments.

*“ There should definitely be a living wage as more and more people are struggling.”*

Udaw members support the trade union campaign for the Living Wage. 96% of respondents agreed that there should be a Living Wage.

*“ It feels to me like the Government isn’t remotely concerned at how difficult working people are finding it to get by as long as they can boast about how low unemployment has become.”*

Labour’s pledge to increase the National Minimum Wage to at least £8 per hour by 2020 was supported by 94% of members surveyed. In relation to measures to tackle the housing crisis, members overwhelmingly supported a house building programme and controls on rent.

*“ Fully back this campaign. It needs to be a priority.”*

92% of Usdaw members surveyed believe that campaigning over the cost of living crisis should be a priority for the Union.

# Section 4

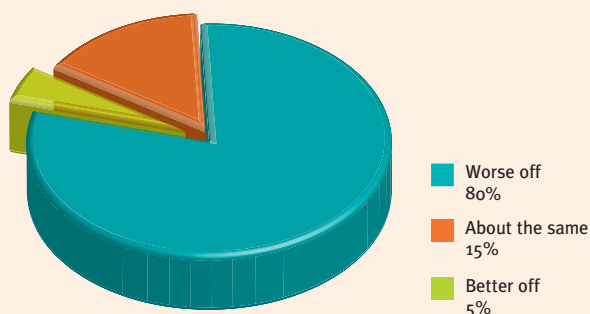
## The Cost of Living Survey – The Detailed Results

In the second half of 2014, the Union ran an online survey on the cost of living crisis. 2,074 members took part in the survey and the detailed results are outlined below:

**Question One** – Compared to the last five years, do you feel financially...

Answer	Number of responses	% excluding no answer
Worse off	1,645	80
Better off	112	5
About the same	307	15
(no answer given)	10	

Compared to the last five years, do you feel financially...

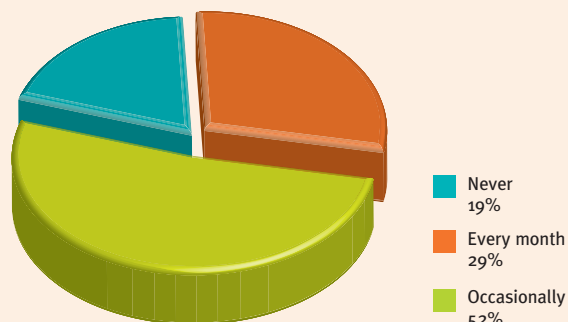


Over the last five years...

**Question Two** – Have you struggled to pay gas and electricity bills?

Answer	Number of responses	% excluding no answer
Every month	601	29
Occasionally	1,083	52
Never	381	19
(no answer given)	9	

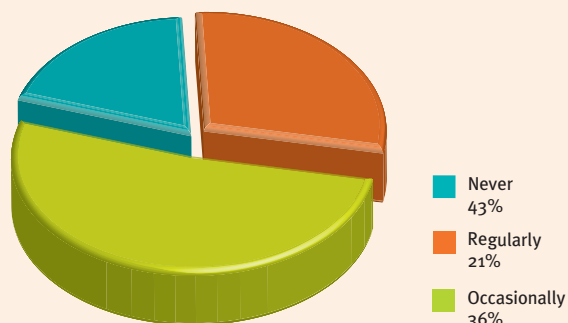
Have you struggled to pay gas and electricity bills?



**Question Three** – Have you missed meals to save money to pay your bills?

Answer	Number of responses	% excluding no answer
Regularly	428	21
Very occasionally	735	36
Never	892	43
(no answer given)	19	

Have you missed meals to save money to pay your bills?



**Question Four – Have you cut back on other essentials to cover transport costs?**

Answer	Number of responses	% excluding no answer
Yes	1,537	75
No	516	25
(no answer given)	21	

**Question Five – Have you missed or been late with rent or mortgage payments?**

Answer	Number of responses	% excluding no answer
Occasionally	647	32
Regularly	252	12
Never	1,161	56
(no answer given)	14	

**Question Six – Have you struggled with rising childcare costs?**

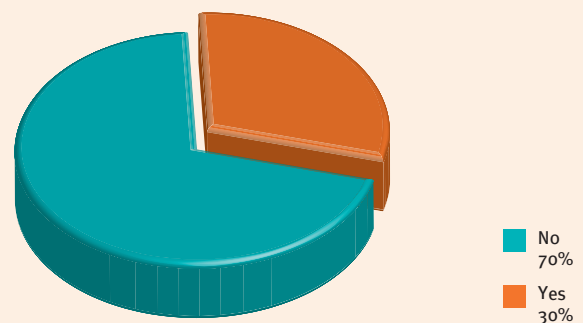
Answer	Number of responses	% excluding no answer
Yes	376	18
No	256	13
I don't have young kids	1,423	69
(no answer given)	19	

**Over the last five years, have you, your family, or any friends been affected by job losses?**

**Question Seven – Have you been made redundant?**

Answer	Number of responses	% excluding no answer
Yes	605	30
No	1,442	70
(no answer given)	27	

**Have you been made redundant?**



**Question Eight – Has anyone in your household been made redundant?**

Answer	Number of responses	% excluding no answer
Yes	551	27
No	1,466	73
(no answer given)	57	

**Question Nine – Have any of your family or wider circle of friends been made redundant?**

Answer	Number of responses	% excluding no answer
Yes	1,174	58
No	860	42
(no answer given)	40	

**Question Eleven – Have your pay rises kept pace with the Cost of Living over the last five years?**

Answer	Number of responses	% excluding no answer
Yes	158	8
No	1,901	92
(no answer given)	15	

**Have you been affected by a cut in working hours?**

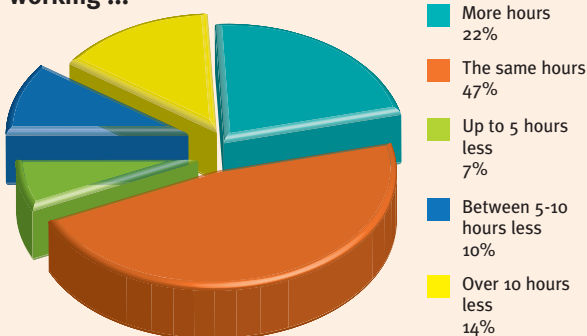
**Question Ten – Compared to the hours I used to work, I am now working...**

Answer	Number of responses	% excluding no answer
More hours	457	22
The same hours	970	47
Up to 5 hours less	142	7
Between 5-10 hours less	209	10
Over 10 hours less	274	14
(no answer given)	22	

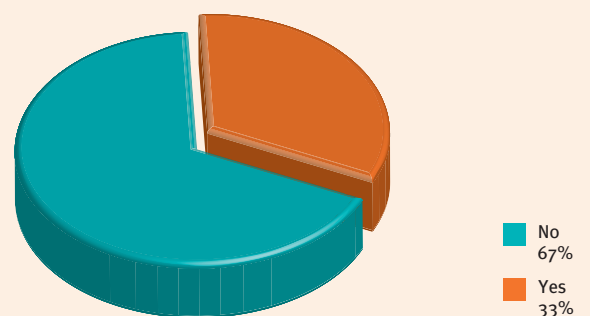
**Question Twelve – Have you been able to go away on holiday in the last twelve months?**

Answer	Number of responses	% excluding no answer
Yes	668	33
No	1,375	67
(no answer given)	31	

**Compared to the hours I used to work, I am now working ...**



**Have you been able to go away on holiday in the last twelve months?**



Some households with debts are turning to payday loan companies.

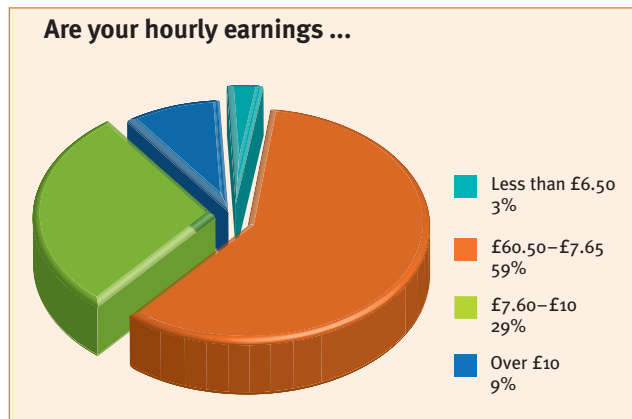
**Question Thirteen – Have you ever taken out a payday loan?**

Answer	Number of responses	% excluding no answer
Yes	375	18
No	1,688	82
(no answer given)	11	



**Question Fifteen – Are your hourly earnings...**

Answer	Number of responses	% excluding no answer
Less than £6.50	70	3
£6.50-£7.65	1,207	59
£7.65-£10	588	29
Over £10	180	9
(no answer given)	29	



**Question Fourteen – If yes, have you struggled to keep up with payments on any payday loan?**

Answer	Number of responses	% excluding no answer
Yes	288	78
No	83	22
(no answer given)	4	

Do you receive any other in-work benefits/tax credits?

**Question Sixteen – Working Tax Credit?**

Answer	Number of responses	% excluding no answer
Yes	380	19
No	1,643	81
(no answer given)	51	



**Question Seventeen – Child Tax Credit?**

Answer	Number of responses	% excluding no answer
Yes	402	20
No	1,580	80
(no answer given)	92	

**Question Eighteen – Housing Benefit?**

Answer	Number of responses	% excluding no answer
Yes	228	12
No	1,734	88
(no answer given)	112	

**Question Nineteen – Council Tax Support?**

Answer	Number of responses	% excluding no answer
Yes	225	12
No	1,732	88
(no answer given)	117	

The Trade Unions are campaigning for a Living Wage – £7.85 for outside London, £9.15 for London

**Question Twenty – Do you believe there should be a Living Wage?**

Answer	Number of responses	% excluding no answer
Yes	1,984	97
No	64	3
(no answer given)	26	

Labour is proposing that the Minimum Wage should be increased to £8 over the next five years.

**Question Twenty One – Do you support increasing the National Minimum Wage to £8 per hour?**

Answer	Number of responses	% excluding no answer
Yes	1,953	95
No	94	5
(no answer given)	27	

The lack of affordable housing is leading to higher rents. Labour is proposing that 200,000 homes should be built each year and there should be longer tenancies with guarantees on rents.

**Question Twenty Two – Do you support such a house building programme?**

Answer	Number of responses	% excluding no answer
Yes	1,733	85
No	315	15
(no answer given)	26	

**Question Twenty Three – Do you agree that there should be more controls on rents?**

Answer	Number of responses	% excluding no answer
Yes	1,944	95
No	95	5
(no answer given)	35	

**Question Twenty Four – Do you believe that campaigning over the cost of living crisis should be a priority for Usdaw?**

Answer	Number of responses	% excluding no answer
Strongly agree	1,323	64
Agree	578	28
No view/ don't know	131	6
Disagree	22	1
Strongly disagree	11	1
(no answer given)	9	



**Usdaw wants to see a wage-led, sustainable economic recovery for the UK. There is no quick fix solution but there are a number of key policies that we would like to see. Many of these policies have been agreed by Usdaw's Annual Delegate Meeting, identified by members in response to the recent Cost of Living Survey or based on policies the Union has supported at TUC and Labour Party policy conferences.**

### Housing

Worrying about keeping a roof over your head is something that nobody should have to go through. Government policy needs to recognise the importance of good quality, affordable housing for all.

The biggest problem is a lack of available housing. More new homes, particularly affordable social housing, need to be built. As well as building more homes, action must be taken to prevent the shocking waste of around 700,000 empty homes across the UK, and land hoarding by developers.

In the rental market, there needs to be controls on rents and stronger rights for tenants to stop landlords from exploiting them. There should be more help available to people wanting to get a foot on the property ladder, with the extension of schemes such as shared ownership.

### Fuel Poverty

Energy companies should not be allowed to hold customers to ransom with huge price increases. Gas and electricity bills should be frozen for the next few years. Also, those who use prepaid meters should not be penalised by being put on expensive tariffs.

Many homes in the UK are not energy efficient. Usdaw believes that energy efficiency grants should be targeted at the poorest and most vulnerable, and they should be administered by the Government, rather than the energy companies.

### Childcare

Many thousands of people, especially women, are being held back from rejoining the workforce because childcare is unaffordable. For others, the high cost of childcare means that they end up paying out a large part of their wages on childcare. More hours of free childcare are needed, and the provision of good quality before and after school childcare for older children should be extended. There also needs to be more support for non-profit making childcare providers such as Sure Start Centres.

### Tax and Benefits

There needs to be a thorough review of the tax and benefits system so that it supports those working people who need it the most, and to ensure that everyone pays their fair share. This means:

- Bringing back the 10p tax rate for low and middle earners and the 50p tax rate for the highest earners.
- Reviewing the eligibility criteria for tax credits, to ensure that they are reaching all who need them.
- Ending draconian measures like the 'Bedroom Tax', which hit the poorest people hardest.
- Tackling tax evasion by putting more resources into enforcement.

### Pay

Of course, costs are only half of the problem. Many working people are struggling on poverty pay, a situation which is unjust and unacceptable.

In the past 15 years, the National Minimum Wage has done a great deal to prevent exploitation of the lowest paid and most vulnerable workers. This is a strong platform to build on, but there is more that can be achieved. Usdaw wants to see significant increases to the National Minimum Wage over the next few years. We also want to see more resources put into minimum wage enforcement, to stop rogue employers from evading the law.

Usdaw also supports the Living Wage – a wage that allows workers to have a decent standard of living. It is currently set at £7.85 per hour (£9.15 for London). The Living Wage is an important aim for our Union; Usdaw wants to work towards more employers paying it. We need active support from the Government to encourage more businesses to pay the Living Wage.

Ultimately, the best way to improve pay rates is by strong trade union organisation and collective bargaining. That's why we want to see reform of the statutory recognition process, so that trade unions can access more workplaces and bargain on behalf of low-paid workers.

## Casualisation of Employment

Improvements to basic pay rates are of limited value if they are attached to exploitative contracts.

Zero-hours and short-hours contracts need to be dealt with to ensure that workers' contracts reflect the hours that they work. Bogus self-employment should be addressed by creating a single status of 'worker' with the same set of rights for all. Agency workers' rights to equal pay and conditions should be protected more stringently by law.

## Employment and Skills

There needs to be a focus on improving job prospects for the unemployed, particularly for young people and the long-term unemployed, and opportunities for people in low-paid employment to develop. This means placing more value on, and investing in, vocational qualifications and apprenticeships, and creating work schemes that provide genuine opportunities to improve employability.





Usdaw has been at the forefront of campaigning for policies to tackle the cost of living crisis. The Union is committed to continue and build on this campaigning.

### Campaigning Through the TUC

Following a motion proposed by Usdaw, the TUC adopted a policy to campaign for zero-hours workers to be given guaranteed hours after working regular hours for a short period such as 12 weeks. Usdaw is fully supporting the TUC campaign to eradicate exploitative employment practices and has played a key role in developing the TUC's campaign approach.

The TUC, with Usdaw's support, is also continuing its battle to deliver equal treatment for agency workers. Since the Agency Workers Directive came into force, the Swedish Derogation loophole has been continually used by employers to undercut permanent staff. The TUC is going to Europe to challenge the UK misuse of loopholes in the Directive that have denied agency workers equal treatment.

### Campaigning with Labour

Usdaw delegations to the Labour Party Conference and to Labour's policy forum process have prioritised pushing for policies to tackle the cost of living crisis.

In 2014, Labour committed to a Cost of Living Contract which identified key policies to tackle the cost of living crisis.

#### Labour's Cost of Living Contract:

- Freeze gas and electricity bills until 2017 and reform the energy market.
- Get 200,000 homes built a year by 2020.
- Stop families that rent being ripped off and help them plan for the future with new long-term predictable tenancies.
- Cut income tax for hardworking people through a lower 10p starting tax rate, and introduce a 50p top rate of tax as we pay off the deficit in a fair way.
- Ban exploitative zero-hour contracts.
- Make work pay by strengthening the Minimum Wage and providing tax breaks to firms that boost pay through the Living Wage.
- Back small businesses by cutting business rates and reforming the banks.
- Help working parents with 25 hours of free childcare for three and four-year-olds.
- Tackle the abuse of migrant labour to undercut wages by banning recruitment agencies that only hire foreign workers and pressing for stronger controls in Europe.
- Back the next generation with a job guarantee for the young unemployed and more apprenticeships.

Since the launch of the Cost of Living Contract, Labour has developed these policies and they now include a commitment to increase the National Minimum Wage to £8 per hour during the lifetime of the next Parliament.

Following lobbying by Usdaw and the TUC, Labour has also now agreed to 'abolish the loophole that allows firms to pay agency workers less than permanent staff'.





## Campaigning for Better Pay

Over the last five years, Usdaw has been delivering above-average pay rises for members. Negotiating for members is a key area of work in our cost of living campaign. In our negotiations with employers, Usdaw will continue to highlight the issues and make the case for above-average settlements to tackle the cost of living crisis.

At the 2014 TUC Annual Congress, Usdaw proposed a motion highlighting the need for the Government to tackle the cost of living crisis. Through the 'Britain Needs a Pay Rise' campaign and 'Decent Jobs Week', the TUC is now engaged in work to make the case for a decent pay rise for all, promote the Living Wage, reduce the overall taxation on low paid workers and ensure better employment protections.

In October 2014, Usdaw members were out in force to support the TUC's Britain Needs a Pay Rise march in London, the Scottish TUC demonstration in Glasgow and the Irish Congress of Trade Unions protest in Belfast.

Within Labour's National Policy Forum process, Usdaw has sought assurances that the next Labour Government will provide substantial increases to the National Minimum Wage. Labour has now confirmed a commitment to raise the National Minimum Wage to £8 per hour by the end of the next Parliament.

Usdaw was at the forefront of lobbying which succeeded in getting a commitment that Labour will ban the use of zero-hours contracts where employees are in practice working regular hours. The Union also persuaded Labour to commit to getting rid of the loopholes that are denying agency workers the right to equal treatment.

## Campaigning to Organise

Through extending the number and scope of trade union agreements, Usdaw is able to improve workers' standards of living. Research shows that workers covered by collective bargaining arrangements are likely to receive higher levels of pay, more holidays, better pension provision and better sickness arrangements.

In recent years, Usdaw has successfully gained recognition in companies such as Ocado. To ensure that more workers get trade union protection, Usdaw is campaigning and negotiating to broaden the scope and number of trade union agreements.

Where we have trade union recognition, the key to getting the best deal possible for members is to strengthen and extend the network of Usdaw workplace reps. The Union is committed to supporting and developing our reps. The stronger the Union is in the workplace, the better deal we will win for members.



**This Executive Council Statement reflects the fact that the cost of living crisis is one of the biggest issues affecting Usdaw members today. The results from our survey are clear evidence that far too many of our members are struggling to afford the absolute basics of food, shelter and warmth.**

Despite claims from the Government of an economic recovery, the benefit of that recovery is not being felt by most workers across the UK. While unemployment is falling, the figures mask the reality of zero-hours and short-hours contracts, increasing self-employment and less secure working conditions. Underemployment remains a major problem in the economy.

Employment growth has largely been centred on low-paid work, and average earnings growth is painfully slow. While pay freezes are now less common, pay settlements are still struggling to make up the lost ground from the recession and its aftermath.

The policies of the Coalition Government have attacked the living standards of working people. The value of in-work benefits such as tax credits have fallen in real terms, and cuts to council tax relief and housing benefit have hit the poorest workers hardest.

Rising costs of the basics, like gas, electricity and rent, have a bigger impact on lower-income families, and the expense of childcare and travelling means that, for many, work simply does not pay.

The challenge facing Usdaw, and the Trade Union Movement as a whole, is to achieve a decent standard of living for our members. This goes to the heart of our campaigning and collective bargaining agenda.

Through negotiations with employers, Usdaw is making the case for improved pay and conditions; we are highlighting that members are facing a cost of living crisis.

Workers who are members of trade unions get a better deal than unorganised workers. We are working to extend the numbers of workers who have the protection provided by a trade union. We are seeking to win trade union recognition in non-union workplaces and we are extending the scope of existing agreements.

We have made our members' voices heard as part of the TUC's Britain Needs a Payrise Campaign and through Labour's policy forum process. We are proud of Labour's commitment to a Cost of Living Contract, and their clear message that this is a major priority issue.

The Coalition's policies have clearly shown that they are not on the side of low-paid workers. It's time for a change, and that's why Usdaw is working hard to deliver a Labour Government for the UK in this year's election. If we want to tackle the cost of living crisis, we need to get a Labour Government in 2015.



# Usdaw

*Union of Shop, Distributive  
and Allied Workers*



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Usdaw, 188 Wilmslow Road  
Manchester M14 6LJ



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