

The Trade Union Act and UNISON's political fund

Member consultation
December 2016 to January 2017



Foreword from the working group

UNISON has a long and proud track record of successful political campaigning in support of our members and the services they provide.

This work is made possible by our political fund, which has two distinct sections – the Labour Link and the General Political Fund (GPF).

The current attack by the Conservatives on trade union political funds is proof not only of the highly ideological nature of the current government, but also of the effectiveness of our political campaigns.

This consultation is about listening to the views of UNISON members on how we respond to the political fund changes demanded of us in the Trade Union Act 2016 in a way that enables our political campaigning to continue despite the challenges posed.

Eleanor Smith	chair Labour Link
Wendy Nichol	vice-chair Labour Link
Ken Curran	vice-chair Labour Link
James Anthony	chair GPF
Sian Stockham	vice-chair GPF
Josie Bird	chair FRM
Dave Prentis	general secretary

Background

The Trade Union Act 2016 will require all unions in Great Britain with political funds to switch from an 'opt-out' to an 'opt-in' system for all new members, and to remind all new members of their right to opt out annually.

As a consequence of effective lobbying by UNISON and other unions, the political fund provisions of the act do not affect existing members, who will continue to pay into the Labour Link or GPF funds as previously, unless they exercise their existing right to opt out from paying into the political fund.

The implementation date for these measures is 28 February 2018.

To meet this timetable, rule changes will need to be agreed by the political fund committees; approved by the Certification Officer; and submitted by the NEC in February 2017 for debate at UNISON national delegate conference in June 2017.

The timetable for the consultation is very tight. At every stage of the consultation process related to the introduction of the legislation UNISON has made strong protestations about the need for a long transition. Regretfully this has been disregarded.

Joint working group

In response to the need to establish new political fund arrangements for those joining the union after the act has come into force, UNISON has established a Trade Union Act political fund review. This is being taken forward by a joint working group comprised of the chairs and vice-chairs of the General Political Fund and Labour Link committees, the chair of the finance and resources management committee and the general secretary.

The review is seeking to establish a way forward for the political fund that addresses the need to:

- maintain the union's campaigning ability and capacity
- maintain the union's historic affiliation to the Labour Party
- protect the union's income.

In its first meetings, the working group examined the implications of the Trade Union Act for the future operation of the political fund and commissioned legal advice on how the union can comply and meet the union's overriding priorities.

This work involved testing some minimal change options against the legal obligations of the Act. As a consequence some of the 'easier' options have already been ruled out. These include simply designating a portion of a new members subs rates to the general fund or There for You/welfare if they do not opt-in. This option does not meet the requirements of the Act.

The working group also took account of the key founding principles of our union and the political fund agreement in our rule book and have sought to maintain these agreements and structures.

Union-wide consultation – your views

The working group is consulting branches, regions and self-organised groups (SOGs) across the union, to ensure that all members get to have their say about the future of the fund.

This process needs to be completed in time for responses to be incorporated into proposed rule changes taken to the February 2017 NEC meeting.

Responses to the consultation should be sent to politicalfundreview@unison.co.uk by 24 January 2017.

This document and further information can be found at:
www.unison.org.uk

Responses should make clear which branch or region they are from, how many took part and the date of the meeting that considered and agreed the response.

The remaining sections of this consultation document set out the challenges that need to be addressed, along with preliminary recommendations from the working group for comment. In some areas the working group has set out important questions on which it has not yet reached a conclusion and now wishes to canvass wider opinion.

Northern Ireland

The Trade Union Act does not cover Northern Ireland. However, the review will have to be mindful of any changes that impact upon UNISON members in Northern Ireland, who have the option of joining the GPF.

Issues and challenges: how should UNISON respond?

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Subscription rates

Having an opt-in for new members will impact upon the number and complexity of union subs rates.

If we establish a base subs scale for new members that does not include political fund contributions, with separate political fund contribution for Labour Link and GPF on top, this would lead to a very complex set of different rates (as many as 44 if these are separate from existing members' subs rates).

In turn, this could have additional consequences:

- It could make check-off/DOCAS negotiations with employers more difficult.
- It could make the recruitment process more complex, and risk switching off potential members before we have signed them into the union.
- For those that pay through payroll, the opt-in could also reveal their political affiliation to employers.
- It could result in new members paying less than existing members, if they choose not to opt in. Some existing members might find this unfair.

The working group has concluded that the base subs rates will have to change for new members to keep the system as simple as possible.

One option currently being considered is for new members to pay the same as existing members for their ordinary membership, but then pay their political fund contributions on top, possibly through a direct debit.

If members did opt in to the political fund they would then pay more than existing members. Existing members would, under this system, enjoy a lower overall rate by virtue of having joined earlier.

Consultation questions

Question 1

Do you agree with the working group recommendation that we should look at ways of altering subs rates to try and maintain a degree of simplicity for new members and protect the finances of the union?

Question 2

What are your views on the idea of a system whereby new members (from February 2018) pay the same sub as existing members and then pay the political fund contribution on top?

Question 3

What are your views on the benefits and difficulties of political fund contributions for new members being paid through direct debit? (Note: because the sums would be small, such payments might be annual.)

Political fund contribution rates

Members currently choose to pay 3% to the GPF or 6.5% to Labour Link (the latter includes an affiliation fee to the Labour Party).

As part of efforts to keep things simple, and maintain the confidentiality of a member's political affiliation (if they do not pay the contribution through direct debit), the working group favours moving to a single political fund opt-in contribution scale for new members.

Question 4

What are your views of the principle of harmonising the amount members pay into Labour Link and GPF?

Flat rates or percentages

There is some evidence from focus groups to suggest that people prefer a flat rate to percentages on the grounds that it is more transparent – you know exactly how much you are paying.

Historically the union has favoured a percentage contribution on the basis that this is a fairer, with members on higher salaries and higher subs rate paying more into the fund.

The working group is undertaking some modelling in terms of what works best for our priorities. Although there are many variables involved (the rate and the wage profile of new joiners) a single cash amount (e.g. £1 a month) appears to be most beneficial. However, such a change would disadvantage lower earning members.

A further idea that the working group has noted is for new members to indicate how much they are willing to pay. This would, potentially, provide the simplicity of a flat rate with a low enough start point not to deter those on the lower subs bands.

Question 5

What are your views about the contribution for new members becoming a single flat rate, as opposed to the current arrangement where they pay a percentage of their subs rate?

Question 6

What are your views about giving new members a choice of how much they contribute to the political fund? (e.g. 50p a month, £1 a month, £3 a month)?

The challenge of selling the political fund to prospective members

We should be ambitious but realistic about the challenge of signing up new members to the fund. It should be clear to all that the political fund proposition needs to be: relevant to the lives and experience of prospective members; coherent, in terms of the overall union offer; and transparent in terms of this is what you pay – this is what you get. In taking this work forward all parts of the union will need to play their part in crafting a compelling pitch for the political fund.

With the questions below the working group are canvassing your opinion on how you see the challenge and how we take this work forward together.

Question 7

What do you see as the main challenges and barriers to signing up prospective members to the political fund?

Question 8

What ideas do you have for maximising the number of new members opting in to the political fund?

What happens next?

Draft rule changes will follow the consultation and agreement by the political funds' committees. These will be taken to the NEC meeting in February and then debated by UNISON national delegate conference in June 2017. Further consultations on specific elements of the new settlement will be held as necessary.

Appendix 1: Timetable

4 May 2016	Trade Union Act 2016 became law
24 January 2017	Responses to the consultation must be in
8 February 2017	UNISON NEC meets to consider consultation results and draft rule changes
20-23 June 2017	UNISON national delegate conference debates rule changes
28 February 2018	political fund opt in/out measures implementation date

Appendix 2: UNISON's political fund member consultation questions

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Do you agree with the working group recommendation that we should look at ways of altering subs rates to try and maintain a degree of simplicity for new members?

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