**Changes to unions’ political funds – an attempt to silence our voice**

UNISON is campaigning against the Trade Union Bill because we believe MPs should be focusing on the real problems our country faces and working with everyone, including trade unions, to solve them. We believe this is the priority rather than taking away people’s right to be supported at work in England, Scotland and Wales.

In addition to the red tape and bureaucracy which will make it harder to take industrial action, the Bill will impose administrative burdens that will undermine the ability of trade unions to speak-up on behalf of working people. The Bill will do this by requiring all unions to go back to every existing member in Great Britain and asking them to “opt-in” to their union’s political fund in writing. The government claim that this measure is merely about giving members a choice, but it’s clear that they are banking on this huge administrative and logistical task taking a big chunk out of the political campaign funds of trade unions.

This briefing sets out the main measures in the Bill that relate to the political funds, the key arguments against the measures and the amendments that the union will be seeking as the Bill progresses through its legislative stages.

**Key measures in the Trade Union Bill and associated regulations**

**The political fund opt in**

The Bill will make it unlawful for a trade union to require members to make a contribution to the union’s political fund if the member has not given the union notice in writing that they agree to the contribution - the so called “opt in” - or if the opt in notice has expired or been withdrawn. The process has to be repeated every five years, as the opt-in notice expires. This is a major change from the existing position where members are offered the opportunity to opt out of a union’s political fund.

The opt in notice can be given to the union by being delivered to the head office or branch office of the union personally, by an authorised agent or by post. This excludes email and online submission and clearly fails to reflect today’s technology and data sharing practices.

The requirement will apply to existing as well as new members, meaning that unions will be required to go back to all members who already pay into a political fund and ask them to opt in. For UNISON in particular, this seems especially harsh as all member will already have opted in

to either the Labour Link or the General Political Fund (see more below). Any renewal of a notice due to expire must also be in writing and within a prescribed time frame as set out in the time line below.

Other than for those who have opted out already, everyone who is a member immediately before the Trade Union Act (as it will become if not defeated) becomes law will need to deliver a written opt in notice to the union. This must be done within three months of commencement of the Act.

Members can also give notice to opt out. Any opt out notice takes effect within one month.

**Time line**

**Commencement Date of the Act**

The union has three months to obtain opt in notices from all members. After that it will be unlawful for the union to ask a member to contribute to the political fund in the absence of a written opt in.

First opt in renewal date is five years and three months after the commencement date. If opt in notices are not renewed between five years and five years three months after the commencement date they will automatically expire. Any opt ins for new members received six months prior to the renewal date will also automatically expire at the renewal date and have to be repeated.

The union will be required to renew opt in notices every five years after that. There will be a window of three months (between five years and five years three months) to carry out this activity in order to lawfully operate the political fund.

**Arguments against the attack on political funds**

UNISON believes that the measures relating to political funds set out in the Bill are unnecessary, unfair and undemocratic.

**1 The measures are unnecessary. Trade union political funds are already subject to stringent regulation**

In order to carry out political campaign work unions are already required to hold all member ballots to establish political funds. The mandate has to be renewed every 10 years. UNISON members voted overwhelmingly to maintain the union’s political fund in a ballot in 2014.

UNISON’s political fund has two sections: the Labour Link, that enables members to take part in the Labour party’s structures and policy making processes and the General Political Fund, which supports the union’s lobbying and broader campaign activity that isn’t aligned to a particular political party.

When people join the union they can choose which part of the fund they want to contribute to. Currently members can also pay into both sections, or opt out of paying into the political fund altogether.

**2 The measures are unfair. The Conservative party is using the power of government to mount a partisan move against the funding of the Labour Party (the official Opposition)**

Historically changes to political party funding are agreed consensually among all the parties.

No less a figure than Winston Churchill, then the leader of the Conservative Party, made this point explicitly to the House of Commons in 1948. He said, ‘it has become a well established custom that matters affecting the interests of rival parties should not be settled by the imposition of the will of one side over the other, but by an agreement reached either between the leaders of the main parties or by a conference under the impartial guidance of Mr Speaker.’

Some years later Margaret Thatcher cautioned her colleagues that legislation which interfered in the funding of the Labour Party would cause great unease. Then, in its submission to the Committee on Standards in Public Life, the Conservative Party stated that the question of trade union funding for the Labour Party was not a concern, and that they recognised the historic ties that bind the trade unions to the Labour Party.

The Labour Party is hugely dependent upon trade union funding. The Party estimate that they will lose £5 million of the £6 million a year income that they receive from the trade union movement. In general election years, they estimate losing £10 million from the £19 million total.

Of course funding to the Conservative Party won’t be affected by these proposed changes.

Recent figures show that 27 of the 59 wealthiest hedge fund managers in the Sunday Times Rich List have personally donated, or seen their fund donate, more than £19m to the Conservatives in the run up to the last election.

**3 The measures are undemocratic. The voice of working people is being silenced as the voice of corporate interests grows louder.**

In addition to the partisan attacks on the Labour Party outlined above, the measures are undemocratic in the sense that they clearly aim to reduce the resources that trade unions have to mount independent political campaigns on behalf of their members. In UNISON’s case, the non party aligned General Political Fund is used to highlight to the public the impact of cuts on

public services, set out to the union’s own members in a non-partisan way the issues at stake during elections and to campaign against the far right. Also, in the context of devolution, the General Political Fund is vital in providing resources for the union to lobby and campaign in the context of different centres of power in the UK around issues that directly affect the services our members provide, their jobs and their standard of living.

Just as the administrative burdens associated with the opt-in will hit funding for the Labour Party, so they will also impact significantly on the ability of unions to campaign politically on issues that are of legitimate concern to their members.

Corporate lobbying and campaigning, on the other hand, remains out of control. One example that commentators have pointed to as an example of this, is the number of drink companies that met with and lobbied ministers prior to the decision being taken around the minimum alcohol price. Companies that give to the Conservative Party do so without the knowledge and full support of many of their shareholders and customers.

**What can we do?**

UNISON is seeking to amend the Bill to:

* reflect the unique structure of UNISON’s political fund, in which members have already consciously opted in to the Affiliated Political Fund (Labour Link) or the General Political Fund at the point at which they joined the union. UNISON believes that an initial opt-in is not required in this case
* recognise the need for a longer transition period, enabling unions more time to opt-in their current members
* take account of modern means of communication, by allowing new and existing members to opt-in electronically.

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