

Defending UNISON's voice

The Trade Union Act and the political fund

Member consultation
23 October 2017 – 12 January 2018



Foreword by the political fund working group

The Trade Union Act has significant implications for UNISON's political fund. The government's intention in passing the Act is clear. By making it more difficult for unions with political funds to collect contributions from members they hope to silence the campaigning voice of unions and damage the ability of Labour to fight election campaigns. We can't allow them to succeed. That's why UNISON is determined to put in place a new settlement for the political fund that will minimise the impact of the Act on the union.

This second round consultation sets out the principles and propositions that will underpin rule changes necessary to put this settlement in place. These reflect responses received from across the union to the first round consultation (December 2016/ January 2017), consideration of evidence from a series of trials and focus groups held during summer 2017 and evaluation of the options measured against our objectives of preserving the historic link with the Labour Party, maintaining campaign capacity and protecting the union's income.

Although much progress has been made, there remain outstanding issues for consideration. All members, branches, regions, SOGs, regional Labour Link Committees, young members and retired members are invited to comment on the principles and propositions included in the document as well as provide responses to the outstanding questions. Our decision to run a second consultation reflects the working group's commitment to inclusivity and to ensure that all parts of the union have an opportunity to comment. We hope that as many as possible will be able to respond.

Responses to the consultation are required by 12 January 2018 and should be sent to politicalfundreview@unison.co.uk

Members of the working group:

Ken Curran	vice chair, Labour Link
Liz Cameron	chair, GPF
Josie Bird	chair, FRM Committee/presidential team
Eleanor Smith	chair, Labour Link 2015–17
James Anthony	chair, GPF 2015–17
Gordon McKay	regional rep/presidential team
Sarah Crowe	vice chair, GPF
Wendy Nichols	vice chair Labour Link 2015–17/regional rep
Mark Chiverton	regional rep

Background

The Trade Union Act requires unions with political funds to move from an 'opt-out' to an 'opt-in' arrangement by March 2018. As a consequence the process of joining UNISON will alter. At the current time the political fund is incorporated into the subscription, with new members indicating which section of the fund they wish to support (Labour Link or General Political Fund) and having an opportunity to 'opt out' afterwards.

In the future all new members will have to actively 'opt in' to paying the political fund component as an addition to the subscription they pay for core union services.

A joint working group, comprised of officers of the Labour Link, the General Political Fund Committee and Finance and Resources Management Committee, plus representation from the presidential team, the policy committee and the regions, is leading work which will result in rule changes being brought to a recalled Labour Link Forum in January 2018 and the February meeting of the NEC.

The working group's objective is to develop, through analysis and union wide consultation, rule changes that put in place new political fund arrangements which:

- (i) preserve the link with the Labour Party
- (ii) maintain campaign capacity
- (iii) protect income

The rule changes will need to be approved by the Certification Officer (CO) and come to the June 2018 NDC.

It is probable that the union will need to implement the changes following approval by the NEC in February, in order to be compliant with the Act at the beginning of March. As such, although the timing of implementation remains subject to negotiation with the CO, all systems, including recruitment materials, scripts for organisers, online joining pages, and RMS/WARMS systems will need to be ready by start of March. This represents a significant piece of work and investment in time and effort to meet this demanding deadline.

Where the union has got to so far

The working group has now held six meetings. Added to this, the Labour Link and General Political Fund Committees have discussed the challenges at length. A recalled Labour Link Forum and special meeting of the GPF Committee met in January 2017 and agreed to defer changes while the union worked with the TUC and other unions to try and secure a delay to the introduction of the new measures. The government subsequently confirmed 1 March 2018.

The focus of the meetings of the working group has been on developing solutions that meet UNISON's overarching objective while maintaining the unique character and ethos of UNISON's political fund, receiving legal advice and promoting debate across the union on a way forward. The working group conducted a union wide consultation, which concluded in January 2017. This revealed a fair degree of consensus around some of the core ideas and assumptions and revealed a strong continued attachment to the principles and values that currently underpin the fund and its two sections.

90% agreed with the working group's recommendation that we should look at ways of altering subscription rates to try and maintain a degree of simplicity for new members and maintain the union's finances, 10% disagreed. (9 out of 10 regions agreed.)

69% of responses were in favour of harmonising the contribution rate for both sections of the funds and 8% were against. GPF payers currently pay 3 per cent. Labour Link payers pay 6.5 per cent. (9 out of 10 regions were in favour of harmonising rates.)

73% wanted to keep a percentage contribution rate, 27% prefer the flat rate idea. The progressive nature of percentage contributions – with the highest paid contributing most – was frequently cited as a reason for sticking with the current system. (7 out of 10 regions favoured maintaining the % contribution.)

Political fund trials and focus groups

The working group followed up this work with three trials, which took place in September 2017:

- Online joining trial

To explore the best way of posing the question to ensure transparency and maximise opt-in rates.

- Follow-up phone survey

To test messaging around the ‘two stage’ process, where the union goes back to people who have joined and asks them to pay more into the political fund.

- In-the-field trials

To enable local organisers and activists to test messaging face to face with new joiners.

In addition a series of focus groups were held with public sector workers yet to join a trade union.

These activities enabled the union to get a sense about how to promote the fund and identify some of the remaining challenges.

Headline findings and conclusions from the trials, focus groups and membership data:

- Having extra questions about the political fund are not going to put people off joining the union, though the less politics the better for most people joining the union today.
- Prospective members do understand the personal and societal value of UNISON’s campaign work in general terms.
- Prospective members are more likely to respond positively if they know the reasons they are being asked to opt in to the fund and pay more.
- Prospective members need to have a clear idea what the difference is between the two sections of the fund.
- Sign-up rates are likely to vary according to how members join, with those recruited face to face more likely to opt in and those recruited online less so.
- Regional factors are likely to play a role in sign up rates, with the distinctive political culture in different parts of the UK having an impact on the level and type of engagement.
- The fact more members now join online (see box 1) means that opt-in rates will deliver lower political fund membership than is currently the case, with the share opting into different sections reflecting the wider political cycle.

- Those recruited face to face in workplaces with check-off arrangements would prefer to pay their contribution as part of the same deduction. Because of difficulties securing more complex check-off arrangements with employers, political fund contributions might need to be collected through a separate Direct Debit, which will put some off. Higher numbers of members paying through Direct Debit should make this less of an issue in the longer term (see box 2).
- Follow-up conversations with people who have joined online asking them to make contributions to the political fund could be effective if they were conducted around particular campaigns and political pressure points. However, the evidence suggests approaches couldn't be immediate and would have to be approached carefully.
- A 5% contribution rate is seen as fair.

Box 1 How members join the union

	2015	2016	2017
Online	46%	50%	51%
UNISON Direct	9%	9%	11%
Paper	45%	41%	38%

Box 2 How new joiners pay their subscriptions

	2015	2016	2017
Direct Debit	64%	68%	71%
DOCAS	33%	29%	26%
Other	3%	3%	3%

The way forward from here

Based on all of the work so far the working group is developing rule changes that reflect the following decisions:

1 Retaining the two sections

The union's two section fund has always been unique to our union and widely celebrated. It is central to UNISON's founding settlement and discussions with members and activists indicate that giving new members a choice of fund section is welcomed. As such the two sections will be retained.

2 Maintaining the progressive principle

The progressive principle that underpins the union's subscription bands, with members paying more the greater their income, has, by extension, also applied to fund contributions. Although the fund contribution will become separate from the subscription, the progressive principle will remain.

3 Harmonising fund contributions

Having two separate rates for GPF (3%) and APF (6.5%), as is currently the case, will over complicate subscription rates. With no change new members would be presented with three separate amounts for each band.

As such a harmonised rate for new members will be introduced at 5%. The view is taken (borne out in the trials) that this strikes the right balance – being low enough to maximise take up, and high enough to ensure the future health of the fund.

4 Adding on the political fund contribution to current subscription rates for new members

In order to maintain income and keep subscription rates as simple as possible, new members will pay the same as current members for their basic membership, and then pay their contribution to the political fund on top.

There are three principal reasons for adopting this approach.

First, it is clear from focus groups and trials that the opt-in will result in far fewer members contributing to the political fund. Without remedial measures this will hit the union's overall income and our campaign capacity.

Secondly, an alternative approach whereby new members paid the current membership rate minus the political fund contribution, with the 'opt-in' then bringing them up to what current members pay, would introduce a further layer of complexity to check-off/DOCAS arrangements that some employers will find prohibitive.

Thirdly, an alternative approach whereby membership rates minus the political fund are clearly lower than current rates could be seen by some existing members as unfair, which could result in people leaving or opting out of the fund.

It should be noted that the working group is concerned about the principle that members on the lower bands be asked to pay the opt-in and note that small contributions might be lower than the de minimis threshold of banks.

Work is being undertaken to see how these concerns can be addressed. This includes negotiations with the Certification Officer aimed at enabling the union to waive the fund contribution for the lowest paid members when they opt in, in recognition of both the union's values and the administrative burden of collecting it.

Existing members will see no change to their subscription rate at all, though their political fund contribution will be harmonised at the current Labour Link rate.

5 Continuing to develop our approach as we learn lessons from initial implementation

It is likely that the union will learn lessons about what works including in different sectors and locations, as it goes. As such the rule changes that are developed will seek to create a framework in which we can adapt and fine tune to optimise the opt-in rate.

Consultation questions

Question 1

Do you agree with the approach taken by the working group – as endorsed by the national Labour Link Committee and the General Political Fund Committee?

Question 2

A key finding from the trials and focus groups was that we need to be able to differentiate the different sections of the fund. One thing that might help is to change the name of the GPF, which many felt was a pretty nondescript. One idea is to call this the ‘campaign for change’ fund.

What are your thoughts on this idea?

Question 3

The more politically engaged prospective members might already be members of the Labour Party.

What’s the case for them to also contribute to the party through the Labour Link?

Question 4

A key finding from the trials and pilots is that members who join online are far less likely to opt in to the political fund.

What ideas do you have for reaching out to new members who have joined the union online to ask them to opt in?