GMB CONGRESS 2018

FINANCIAL PROPOSALS FOR CONGRESS 2018

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UNION

Financial proposals for Congress 2018

GMB in recent years has achieved a degree of financial stability which is essential to be able to operate as a campaigning union in the twenty-first century, always ready and equipped to fight for our members individually and collectively. We've focussed hard on membership growth and development and on building the union's reputation for tireless work challenging bad employers and bad policy. But that financial stability is relatively new, and the lessons of the past are that we can never afford to spend more than the union earns in membership contributions every year. The increase in inflation in 2017 has led to our contribution income coming under strain, and our budgets for 2018 were set at a figure just above the breakeven level. That means this year we have very little buffer to protect the union from unexpected costs or dips in membership.

In preparation for this year's Congress the CEC's Finance & General Purposes Committee, over several of its meetings, carried out the review called for in referred composite 1 from Congress 2017. In particular, the Committee considered the contributions charged by other unions, the possible need to increase the number of grades in the GMB system, the idea of switching to a wage-related structure and the difficulty of recruiting workers in the unstable gig economy.

A number of unions charge contributions related to a member's earnings. This has the attraction of theoretically benefitting the union when wage negotiations are successful, but it has been discussed and rejected by Congress on numerous previous occasions. It would be difficult to apply in GMB due to the huge range of our members' pay rates and the probable need to rely on "self-certification". It would also be disruptive and could be unpopular among members whose contributions would have to rise to maintain the union's income levels. When, in the past, GMB colleagues visited another large union which operates a wage-related system, we found that the absence of fixed rates meant that the quality of data in the membership system, particularly for check-off members, was inferior to GMB. Finally, GMB's contribution structure is better for our democracy, as it obliges Congress to have an annual debate on finance, which is often side-lined in other unions.

The Committee also looked at applying additional rates, and whether we should respond to the growth in zero hours and other unstable employment by making adjustments to contributions. The Committee noted that the rule book currently allows the application of promotional rates to meet particular problems identified in any part of the membership, and these are successfully and flexibly applied across the union. A further fixed rate would have to be paid for by an additional increase to the main grade rates, and it is far from clear that the lower rate would result in an increase in recruitment. The rapid growth of the gig economy means that it is starting to appear in areas where GMB is already organised, making it hard to decide who a special gig rate would apply to and running the risk of multiple rates applying to similar members in the same workplace.

Composite 1 also suggested investigating a family membership rate. This is another proposal which has been repeatedly rejected by past Congresses. It could prove difficult to administer, for example in identifying who exactly are family members, and there is a risk that family membership could significantly increase the cost of employment law support.

The Finance & General Purposes Committee concluded that the current system of two rates, complemented by the promotional rates, sick and unemployed reductions and the rates for students and apprentices, is well understood throughout GMB, is simple to apply, straightforward to administer and is flexible enough to meet Regional needs. This was endorsed by the CEC. The Committee also considered a report from Labour Research, which is available to Congress delegates, which shows that GMB rates for most members are lower than for the significant majority of other unions, and particularly our “competitors”.

Inflation of course affects not just the union’s finances, but impacts on lay member activists. Over recent years, the mileage rate payable to members who use their own car on union business has been increased from 25p to 35p. The Finance &General Purposes Committee conducted research into the level of mileage payments in various organisations and employers. Based on that, the CEC recommends a further increase in mileage rates to 40p per mile.

The Finance & General Purposes Committee also reviewed the level of lost earnings payments where members have foregone wages while on union business. For some time this has been recognised to fall well below actual lost earnings, and the fact that the payment is less than the union’s aspirations for minimum hourly rates is frankly embarrassing. Accordingly, the CEC is recommending an increase in the daily rate of lost earnings compensation to a maximum of £80.00.

It has been the longstanding policy of GMB Congress to link contributions to cost inflation by increasing rates by RPI each year. This year, the Committee proposes using the lower inflation measure of CPI, which at the start of 2018 stood at 3%. To the nearest round number, this produces a weekly increase of 10p on grade1 and 5p on grade 2. All other rates remain unchanged.

Taken together with tight control of cost budgets, consistent successful recruitment and improvements in retention through much better focussed member communications, this increase provides the union with a stable platform to face the challenges of this year and into 2019.

The CEC is recommending the following rule changes:

CECRA11

Rule 45 Clause 1,

Line 3: Delete “join”, insert “joined”

Line 4: Delete “£3.05”, insert “£3.15”

Line 9: Delete “£1.78”, insert “£1.83”

Line 11: Delete “£3.06”, insert “£3.16”

Line 12: Delete “£3.05”, insert “£3.15”

Line 17: Delete “£1.79”, insert “£1.84”

Line 18: Delete “£1.78”, insert “£1.83”

Clause will now read:

1 Once they join the union, members will pay a contribution in line with this rule.

Members who joined before 1 March, 2018 and all members in Northern Ireland will pay £3.15 a week and be classed as grade-1 members, **unless** they are:

- part-time members employed for 20 hours or less;
- young people under 18; or
- recruited as being unemployed;

in which case, they will pay £1.83 a week and be classed as grade-2 members.

Members who join on or after 1 March, 2018 will pay £3.16 a week if they opt in to the political fund and £3.15 if they do not, and be classed as grade-1 members, **unless** they are:

- part-time members employed for 20 hours or less;
- young people under 18; or
- recruited as being unemployed;

in which case, they will pay £1.84 a week if they opt in to the political fund and £1.83 if they do not, and be classed as grade-2 members.

Grade-2 members can choose to pay the contribution rate for, and be classed as, grade-1 members.

The above grades are only used for deciding what contributions members should pay and the benefits they may receive

CENTRAL EXECUTIVE COUNCIL

CECRA12

Rule 45, Clause 2,

Line 4: Delete “£3.05”, insert “£3.15”

Line 5: Delete “£1.78”, insert “£1.83”

Clause will now read:

2 Branch committees will have the power to fix the amount lapsed members (members who joined but later stopped paying contributions) need to pay to rejoin. This amount will be between £3.15 and £10 for grade-1 members and between £1.83 and £5.50 for grade-2 members, except in particular circumstances when we may increase the amount with the approval of the regional committee.

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