



# **CENTRAL EXECUTIVE COUNCIL**

## **FINANCE REPORT**

### **Building on Growth: Financial Proposals for the year ahead**

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# Building on Growth

## Financial proposals for the year ahead.

These are difficult times for our members. The Tory-led government is wasting no time turning the fiscal deficit to its own advantage with an all-out assault on public services and in particular the jobs and wage levels of GMB local authority, NHS and civil service members. For all our members, household expenses, the VAT rise and soaring fuel prices mean that the living standards of ordinary people are being squeezed harder than at any time since the 1920s.

So the decision to make a recommendation on contributions this year was a challenging one for the CEC.

Once again, the accounts for 2010 report solid financial progress for our union. The value to GMB and our members of the return to financial stability after so many years of deficits cannot be overstated. But it would be a dangerous mistake to interpret this as a signal to relax financial control and forget about budgets and maintaining a steady growth in membership income. Congress has a firm policy of raising contributions in line with inflation. The alternative is for essential expenditure to push ahead of income, resulting in a future need for dangerously steep contribution increases, or a return to the misery of operating deficits. In the past, we had both. Congress, we have learned our lesson.

The CEC is recommending the minimum increase necessary in contributions, 5p per week across the board. For the majority of members, this is less than half the current rate of inflation. The CEC is confident that this will allow GMB to protect ourselves against unavoidable cost increases, while continuing to build the union's financial strength and providing the best value service to members.

The CEC proposes that all of the increase should be used for GMB industrial and organising activities, rather than increasing the amount transferred to the Political Fund. The recommendation is therefore that the political levy is frozen at last year's level.

The CEC believes that, where possible, the quality of the union's cash benefits should reflect GMB's financial progress in recent years. Therefore, in keeping with the strategy of incrementally improving the funeral benefit as finances allow, the CEC is recommending a £25.00 increase in funeral benefit to £300.00. This is an increase of 9%.

The CEC has been keen for some years to find a way to increase the Fatal Accident and Disablement benefits. For work-related deaths and disablement, the GMB will stop at nothing to recover maximum compensation

for members through the courts, but it is right that the union itself is there with cash for members and their families should the worst happen.

The CEC is pleased to recommend that the occupational fatal accident and total disablement be raised from £4,000 to up to £10,000, and that the non-occupational fatal accident benefit be raised from £1,100 to up to £5,000. This represents a maximum increase of 250% and 450% respectively.

The union relies on the unstinting efforts of lay activists who look after members' interests at all hours and in all weathers, often with little reward. And the CEC is very conscious of the extra pressures they are under in the present state of the economy. Fuel prices are at eye-watering levels, and fewer and fewer employers are willing to give paid time off for union duties.

The CEC is therefore proposing the following:

Mileage rates for members using their cars on GMB business to increase from 30p per mile to 35p per mile, an uplift of 17%.

Compensation for loss of earnings to increase by 9%, from £55.00 per day to £60.00 per day.

Congress is asked to accept this report and to pass the following rule changes to bring the recommendations into effect. It is proposed that the expenses will increase from the Monday after Congress, the benefits will increase on July 1, and that contributions will increase on October 1.

## **Rule Amendments**

### **CECRA4.**

#### **Rule 46 Clause 1,**

**Line 3: Delete “£2.60”, insert “£2.65”**

**Line 8: Delete “£1.45”, insert “£1.50”**

#### **Clause will now read:**

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

Members will pay £2.65 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 £1.50 a week and be classed as grade-2 members. However, grade-2 members can choose to pay the contribution rate for, and be classed as, a grade-1 member.

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

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**CECRA5.**

**Rule 46, Clause 2,**

**Line 4: Delete “£2.60”, insert “£2.65”**

**Line 5: Delete “£1.45”, insert “£1.50”**

**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 £2.65 and £10 for grade-1 members and between £1.50 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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**CECRA6**

**Rule 54, Clause 1**

**Line 1: Delete “£4000”, insert “up to £10000”**

**Clause will now read:**

1 The Union will pay a grant of up to £10000 to any member who is permanently unable to work as a result of an accidental injury sustained whilst at work, as long as that person, at the time of the accident, had been a continuous member for 12 months and did not owe more than six weeks' contributions.

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**CECRA7**

**Rule 55, Clause 1**

**Line 5: Delete “£275, insert “£300”**

**Clause will now read:**

1 If a full financial member, who has been a continuous member for 8 years dies, the regional secretary will, having been given a copy of the death certificate, pay the widow, widower, member of the family or nominated person a funeral grant of £300. (This person will need to show that they are responsible for paying funeral expenses.)

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## **CECRA8**

### **Rule 58, Clause 1**

**Line 14: Delete “£4000”, insert “up to £10000”**

**Line 17: Delete “£1100”, insert “up to £5000”**

#### **Clause will now read:**

1 In line with clause 3 below, we will normally pay fatal accident benefit to the husband, wife, child, parent or partner (including same-sex partners) of a member who has died and who was a full financial member. The relative claiming benefit must have completely or partly depended on the member for the ordinary necessities of life according to their circumstances.

We will pay fatal accident benefit as follows.

- For a full financial member who:
  - dies in an accident (within 12 months of the accident);
  - was working at their usual place of employment; and
  - has been a continuous full member for 12 months;

we will pay up to £10000.

- For a full financial member who has an accident (other than while working at their usual place of employment) from which they die within 12 months, we will pay up to £5000.

We will only pay one type of fatal accident benefit for any one financial member. The Central Executive Council will have the power to decide which of the above people we will make the payments to. If more than one person is entitled to the payment, the Central Executive Council has the final decision about how the payment should be divided.

We will only pay the benefit if, at the time of the accident and when making a claim, the member had been paying full grade-1 or grade-2 contributions (unless they were paying contributions at a different rate under rule 48.7) and did not owe more than six weeks' payments.

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