



Central Executive Council Finance Report

ANNUAL CONGRESS 2013

PLYMOUTH PAVILIONS

CONGRESS – SUNDAY 2 JUNE - WEDNESDAY 5 JUNE

9.30 am - 12.30 pm, 2.00 pm - 5.30 pm

CONGRESS – THURSDAY 6 JUNE

9.30 am - 12.30 pm

Financial Proposals for Congress 2013

Once again, the CEC is able to report to Congress a steady operating surplus for the 2012, carrying on an unbroken run of surpluses for the ninth year in succession. Income from members' contributions was more than £60 million for the first time, and membership again increased, underlining how continued financial success has been based firmly on the organising culture of GMB@Work.

Our forecasts for the current year show that we are on target to produce an operating surplus – as Congress has instructed that we must, to avoid the financial decline and disruption of earlier years. This will be achieved if the organising opportunities we have created are converted into new members, but there are other threats and pressures to our financial well-being.

Changes to the rules for the provision of legal assistance seem designed to benefit only insurance companies and unscrupulous employers. The present system is, for GMB, a very cost-effective way of providing top-quality employment, personal injury and other legal services free to our members. New regulations now in force could, unless the Union properly manages the challenge, add several million pounds to our costs.

HMRC are carrying out an aggressive programme of challenging all trade unions' expenses policies. They have withdrawn the permissions which existed for GMB's expenses system, and it is likely that any new agreement with HMRC will again increase the Union's costs. The CEC has already had to adapt some procedures to comply with HMRC rulings, and it is likely that there will be further changes. The CEC's priority throughout this process is to maintain our organising strength and to ensure that volunteer activists are properly compensated for any costs incurred on GMB work.

Congress has regularly reinforced its view that GMB employees should be provided with a decent pension in retirement. The continued adverse financial market conditions mean that the GMB employees pension fund remains in deficit, and the Pensions Regulator, who is also showing a particular interest in trade unions, has stated that they expect changes to be made in the fund, which could include additional payments by the Union.

The Union is, like every other organisation, vulnerable to inflation in a range of cost categories, including energy, transport, paper and printing. There have been a number of successes over recent years in reorganising and renegotiating contracts with suppliers, particularly on mobile phones and cars. The CEC and the Senior Management Team recognise that it is now urgent that all aspects of the Union's outgoings are reviewed and subjected to a transparent and rigorous tendering process.

The finance to meet all these challenges will have to come chiefly from membership growth, achieved through constant focussed organising. However, to help the Union keep pace with general price increases, it has

long been Congress policy to adjust contribution rates each year in line with RPI. Once again, the CEC does not consider it right in the present economic conditions to seek a full RPI increase. The CEC is therefore recommending an increase of 5p per week on all grades: this is less than half the rate of inflation for grade 1 members.

Congress increased the major cash benefits in 2011 so that the maximum payable is now 250% of what it was before the change, and this is working well. The CEC did consider increasing the amount of the Funeral Benefit, but after a lengthy debate, agreed that it was better that any increased funding should be allocated to reducing the qualification period for the benefit. Accordingly, the CEC recommends that the years of membership qualification for Funeral Benefit should be reduced from eight years to five.

Over many years, the CEC has adapted to changing employment patterns for young people by launching different recruitment initiatives and applying a variety of promotional rates for apprentices, students and other young people. Foremost in the Union's aims has been the imperative of engaging with upcoming generations to build a wide and committed young membership as a guarantee of the future strength of GMB organisation.

As a result, a huge number of different rates and practices have grown up across the Union and in different Regions. Some rates applied to apprentices in specific industries, others to working and non-working students and some to training programmes long since abandoned by government. The CEC recommends that the rates should be streamlined to give a clear and consistent message across all parts of the Union. It is essential that GMB organisers are given the means to build the Union among the growing ranks of apprentices. We also need to provide opportunities for student membership.

Rule 46 allows for promotional rates, and the CEC recommends that, under this rule, the contributions payable by apprentices should be £2.00 per month, approximately 50p per week. Once a member has completed his or her apprenticeship, contributions will be applied at the relevant Grade 1 or 2 rates, and membership records will be regularly reviewed to ensure the appropriate rates are collected. Students in full-time education will pay £1.00 per month: students in work will pay the Grade 1 or Grade 2 rates appropriate to their jobs.

The CEC believes this approach properly reflects apprentices' and students' ability to pay and provides simplified tools for organisers to target the GMB members of tomorrow.

The main message from the CEC on GMB finances is that there are real challenges ahead, and that they can only be met by universal, committed application of the principles of GMB@Work. The last eight years have been a story of proud achievement in growing and strengthening our Union. The CEC asks Congress to agree to the proposals in this document to ensure that that record continues into the future.

CECRA6.

Rule 45 Clause 1,

Line 3: Delete “£2.70”, insert “£2.75”

Line 8: Delete “£1.55”, insert “£1.60”

Clause will now read:

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

Members will pay £2.75 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 £1.60 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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CECRA7.

Rule 45, Clause 2,

Line 4: Delete “£2.70”, insert “£2.75”

Line 5: Delete “£1.55”, insert “£1.60”

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 £2.75 and £10 for grade-1 members and between £1.60 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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CECRA8

Rule 54, Clause 1

Line 1: Delete “8”, Insert “5”

Clause will now read

1 If a full financial member, who has been a continuous member for 5 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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