



HOUSE OF LORDS

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**The Select Committee on Trade Union Political Funds and Political Party
Funding**

Inquiry on

TRADE UNION POLITICAL FUNDS AND POLITICAL PARTY FUNDING

Evidence Session No. 8

Heard in Public

Questions 60 - 66

THURSDAY 11 FEBRUARY 2016

11.15 am

Witnesses: Mr Tony Dale, Ms Ruth George, Mr Matt Wrack and Mr Gareth Young

Members present

Lord Burns (Chairman)
 Lord Callanan
 Lord De Mauley
 Baroness Dean of Thornton-le-Fylde
 Baroness Drake
 Earl of Kinnoull
 Lord Richard
 Lord Robathan
 Lord Sherbourne of Didsbury
 Lord Whitty
 Lord Wrigglesworth

Examination of Witnesses

Mr Tony Dale, Deputy Head of Research and Economics, Usdaw, **Ms Ruth George**, Political Officer, Usdaw, **Mr Matt Wrack**, General Secretary, Fire Brigades Union, and **Mr Gareth Young**, National Official (Campaigns, Policy and Communications), NASUWT

Q60 The Chairman: Thank you very much for coming. It would be helpful if you could introduce yourselves, and follow up with any introductory statements that you would like to make.

Mr Tony Dale: My name is Tony Dale. I am the deputy head of research at Usdaw.

Ms Ruth George: I am Ruth George, political officer at Usdaw.

Mr Matt Wrack: I am Matt Wrack, general secretary of the Fire Brigades Union.

Mr Gareth Young: I am Gareth Young, national official for campaigns, policy and communications at the NASUWT.

The Chairman: Do any of you wish to make an opening statement?

Mr Tony Dale: If I may speak on behalf of Usdaw for a couple of minutes, I would like to thank you for the invitation to give oral evidence today. We welcome the opportunity to share with you some of the information that we have. We are very concerned that there has been no proper consultation on this part of the Bill—this is the first proper consultation that we have had—and we have had no opportunity to comment on the impact assessment.

USDW has 440,000 members. We have a political fund of 420,000 members. The last political fund ballot voted 93% in favour of keeping the political fund. Alongside the whole discussion about opting in and opting out, which obviously we have been following, we want

to flag up a couple of issues and the fundamental problems, which are quite often practical problems, with the mechanism outlined in the proposal. At the moment, new members sign up to the union when they meet shop stewards in the workplace and start a job. That is most commonly when people join a trade union. At that point there is a statement on the membership form explaining opt-out. The discussion about opting out takes place with the shop steward at that point.

We are very concerned by the suggestion that there should be a mail-out. Increasingly, we find that mail-outs advertising anything are a very poor way of communicating with the membership. Our response in mail-outs for elections is disappointing. In postal ballots we have turnouts of about 5%, which raises very serious concerns that the whole process of opting in or opting out will be fundamentally damaged by the society-wide issue that people are not very proactive in responding to their mail. We are extremely concerned that the proposals as outlined will result in the decimation of our political fund, not because people are not happy with the fund or because there is general disillusionment with it but because they will not respond to the mail-out that would take place every five years.

Usdaw is unashamedly a strong supporter of the Labour Party, and has been for a very long time. We give hefty funding to the Labour Party because we think that a political party linked to trade unions is important. Currently, we give about £1.9 million in donations, affiliations and conference delegations to the Labour Party. We see that being decimated—being reduced to less than 10% of the current amount we contribute to the party. On a broader level, we feel that will place serious question marks over the funding of the opposition party in this country and over democracy and how it operates.

The Chairman: You are signing up to the notion that you will get only 10% of what you are getting at the moment.

Mr Tony Dale: According to the risk assessment under which we are operating, we think we could get anywhere between 5% and 10%, and we can say why we have come to that explanation shortly. We think that the measures are disproportionate and that there is a whole issue about fairness. On renewal every five years, if we are looking at an initial drop in the political fund to 10%, we could spend one year's political fund just mailing everybody in the union asking them to sign up to the political fund. We would end up having to spend

more and more of our political fund just communicating with members, as opposed to funding political activity. The impact would be disproportionate.

The Chairman: You are saying that the cost of what you would be required to do is a high proportion of the existing income of the political fund.

Mr Tony Dale: It would be a high proportion of what we anticipate the political fund would become. For instance, we would expect an initial response of about 5% to the political fund through a mail-out. Through organiser activity, we would hope to push that up to 10%. That would mean that the political fund was reduced to 10% of its current size. As the clause is currently outlined, every five years we would mail all the members asking them whether they wanted to opt in to the political fund. That is a mail-out to 440,000 members. We believe that would cost about £200,000, which would be one year's fund. The calculations are outlined in the document we submitted yesterday.

The Chairman: Unfortunately, we have not had a chance to read it yet.

Mr Tony Dale: The end result is that the political fund will be effectively dismantled. We will not be able to have a say. We will not have a political fund to affiliate to the Labour Party and to campaign, because we will have to spend more and more money just communicating with members.

The Chairman: Are there any other opening statements?

Mr Matt Wrack: The Fire Brigades Union represents the vast majority of firefighters across the UK. The perspective that we can bring is that of a smaller or medium-sized union, and I would argue that additional problems arise for us; for example, we have far fewer staff than other colleagues. Echoing one of the points that my colleague has just made, we very much rely on volunteers—firefighters who do work on behalf of the union—because the union is a voluntary organisation of workers who come together to organise themselves to better their interests. We are very much reliant on our lay officials and not full-time staff to do the work required.

We are dealing with an industry with some 2,000, mainly small, workplaces, which might, for example, be a fire station of five people on a Scottish island, so I highlight the need to engage in face-to-face work. The impact of the whole process on us is a huge resource-intensive challenge.

I picked up some of the points made in the earlier session about awareness of the rules and the right to opt out. There is a very high level of awareness of the union's rules among our members, and we can bring to the session today our experience of how members are actually recruited to the union rather than the perceptions that you may have from simply reading websites—again reflecting my colleague. You cannot join the Fire Brigades Union online. There is a membership form online, but you have to apply and go through a process to join. All recruitment is done face to face, and our reps who recruit people explain the process in detail. For example, the contribution rates are clearly set out on our website; the political fund is set out as a specific rate within the contribution, so any member applying to join will be very aware of the different rates of contribution.

Mr Gareth Young: The NASUWT represents just under 300,000 teachers across the UK. We do not affiliate to any political party, so our political fund is used in other forms of campaigns, including recent anti-racism campaigns, and campaigns on child poverty, the cost of education, SEN and so on, which are perhaps very different campaigns from some of the others. The amount for the political fund is about £1.

The Chairman: A pound a year.

Mr Gareth Young: Yes. Every member is sent a membership form and with that they are given details of what the cost would be with and without the political fund, so it is very clear.

The Chairman: What is the firefighters' level of political contribution?

Mr Matt Wrack: Our contribution is 16p a week. Our rulebook is based on people being paid weekly, fortnightly or monthly. The rules are still based on people paying weekly.

The Chairman: Is that £8 a year?

Baroness Dean of Thornton-le-Fylde: Is that for the political fund?

Mr Matt Wrack: The political fund is 16p a week.

Mr Tony Dale: For Usdaw, it is 10p a week to the political fund.

The Chairman: It is £8 and £5. Ms George?

Ms Ruth George: I am from Usdaw as well, so obviously I concur with my colleague's statement.

Q61 Lord Sherbourne of Didsbury: As you know, we are trying to get evidence of what the impact of the changes will be. One of the areas that we are looking at is the behaviour of union members, because how they react to different systems is important. I would like to

put my question initially to Usdaw; the other unions may want to come in as well. If the same very transparent and clear information that you give your members about how they can opt out was used with an opt-in system, why do you think fewer members would choose to opt in than opt out?

Ms Ruth George: Throughout the history of the unions and the Labour Party movement, unions have supported the Labour Party, so our members very much expect that that is what we do. We campaign quite openly on behalf of the Labour Party at election time. We send every member a magazine about voting Labour, and we send them emails about the differences between the policies. Our members expect the union to vote Labour. They do not expect to have to opt in to contribute; they expect that a proportion of their subscription will go towards those political objects anyway, and they are told about the right to opt out.

Lord Sherbourne of Didsbury: My question was not that. My question was: if you had the same transparent system of informing your members how they can opt out that was used to inform them how to opt in, do you think there would be fewer members opting in, and if so, why?

Ms Ruth George: There would be many fewer opting in, because of the history, culture and expectations among union members that unions support the Labour Party and contribute. If someone expects to be contributing and they have a problem with it, they will look to opt out, but if they expect that to happen and do not have a problem with it, they will not do anything.

Lord Sherbourne of Didsbury: Do I deduce from that that if there was an opt-in system, their awareness that part of the political fund was going to the Labour Party might deter them from opting in? Is that what you are saying?

Ms Ruth George: I am not saying that. I am saying that they would expect that part of the union contributions to go to the Labour Party in any case and towards campaigning for the Labour Party, because that is what we do and always have done.

Our members have different political persuasions. Obviously, the majority of them will be Labour supporters, but we do not kid ourselves that all our members are. They do, however, understand that they are part of a trade union movement that is very democratic and collective. Union policies on an entire range of things are decided very democratically at union conferences, where every branch is represented by delegates mandated by members

at meetings, and every member can have their say. It is much more difficult for our members to say, “We do not agree with what is happening”. They would be happy for the sake of 10p a week to be paying a political subscription.

Lord Sherbourne of Didsbury: Why would they then not opt in?

Ms Ruth George: Because that is what they expect to be happening anyway; they are quite happy for the union to be affiliated to the Labour Party and to contribute. I think behavioural analysts have come to talk to you about the differences in taking an action. There is a lot of what somebody described as inertia or ignorance. The truth is that there is a lot of inertia among people about doing things. If they are happy with the status quo, and happy with what the union is doing in campaigning on their behalf, they do not see the need personally to do anything.

Mr Tony Dale: One of the fundamental problems with this Bill is that you have to opt in every five years by sending back a form, whereas at the moment you just need to opt out once. In Northern Ireland, where there is an opt-in system, you opt in once on the membership form when you join the trade union. That is a fundamental difference. I agree with my colleague in that we have conference decisions committing ourselves to the Labour Party. If an individual member does not like that, for us the principle would be that they should have to opt out, but the proposal as it stands is not a simple debate about whether you opt in or opt out. There also needs to be a debate about the process being advocated, because it is the mechanism that will cause the most damage, not the question of opting in or opting out.

Q62 Lord Callanan: To be fair to Usdaw, I think it says on its membership form that people have a right to opt out. Can I put a question to the gentleman from the Fire Brigades Union? Why do you not say on your membership form that people have the right to opt out? You told us earlier that your website, which I am looking at, says what people pay towards the political fund in contributions and membership, but not that they have any right to opt out. I have searched the website under “political fund”, “opt-out” and “opt-in”, and under none of those search criteria do I get any information as a Fire Brigades Union member about my legal right to opt out. How are you discharging your legal duty to tell members they have the right to opt out?

Mr Matt Wrack: That comes back to my point about how people in the real world join the union.

Lord Callanan: I assume they have to fill in a form.

Mr Matt Wrack: Because of other elements of this Bill, we are going through other changes. Traditionally, some 98% of our members have paid through deduction of contributions at source—check-off arrangements. As a result of the Bill, we are going through the process of moving to direct debit. What is currently on the website is the result of the very recent change that has taken place as a result of our internal decision as a result of the acts of the Government. You would not have found a membership form on the website prior to that, because traditionally, as I said earlier, people do not join the Fire Brigades Union electronically. We have processes by which local branches have control over who joins the union; members have to be proposed, seconded and so on. Bearing in mind that in order to achieve check-off an individual employee has to fill in a form agreeing voluntarily with their employer that the deduction can be made from their salary, at that point it is all very clearly explained, because the individual employee has to state the rate at which they wish to pay. The different rates are explained by the union official, who is a volunteer firefighter doing it in their own time. He explains the different contribution rates, including the trade rate, the political rate and the accident injury fund rate. All of that is explained very clearly at that point.

Lord Callanan: You do not say it on the form. When you say that members have to sign a check-off, do they get a choice about whether or not they pay for the political fund at the time?

Lord Richard: Could you easily put it on the form if you wanted to?

Mr Matt Wrack: Political fund opt-out forms are put into the pack when people join the union. People have that right. We are required to do that. We have what we call a new member's pack, which includes the rulebook. You referred earlier to the rulebook. We are required under our own rules to send every single member a hard copy of our rulebook, which we revise every three years. Every three years every member of the Fire Brigades Union gets a new hard copy of the union's rulebook, which includes all that in detail. Another point is that evidence of the opt-out—in our case, 17.8% of members opt out—shows us that there is a very high level of awareness.

One further point, on which we may differ from our colleagues, is that we have an additional rule, which was brought in not by the leadership but by members at conference, that allows members of the political fund to choose that none of their political fund should be used for a party political affiliation. That is not required by legislation but it has been brought within the rules, and 19.2% of our political fund levy payers made that choice. That demonstrates quite a high level of awareness among our members of the different options within the union's rules.

Lord Richard: I want to come back to the point Lord Sherbourne is making that somehow or other if the process were the same for opting in as for opting out—I am not quite sure how you would devise it—it would not have much effect. Would there be a distinction between the number of people who would opt in under a system where new members had a form on which they tick a box saying, “Yes, I wish to opt in”, and a system where you have to tell a mass of people, who at present are opting out, that you are going to change the way you do it? The first of those may not have very much effect. The second one would have a dramatic effect upon the level of membership. Is that a fair way of putting it?

Ms Ruth George: Absolutely. I have been trying to look at how the proposed system would be implemented in the union. To explain to a member that there has been a change in the law and that, in respect of the 10p a week that they have been contributing and could have opted out of, they have to sign a separate piece of paper in order for that 10p a week to continue to be used for political purposes is extremely difficult and an extremely difficult proposition to get over to people in a short letter. You have only so much text that people will read; you have to get your message over within the first three lines, preferably within the subject title of the letter, in order for it even to be considered, to increase the response rate. That is a serious problem.

To answer Lord Callanan's question—two for the price of one—40% of our Northern Ireland members opt in to the political fund.

Lord Richard: All I am saying is that if you have an opt-in system where all you have to do is tick a box on the application form, presumably it would be quite easy to operate, but that is for new members; you cannot do it for existing ones.

Ms Ruth George: Yes. We concur with the experience of the FBU, in that 92% of our members are recruited face to face in workplaces. They have conversations with their workplace rep and can discuss these things.

Q63 Lord De Mauley: My first question follows on from what Lord Richard has just been asking and can be answered in one word, because I have another question that I would like to slip in. I hear and quite understand the strong feeling against opt-in coming across generally, but do you object to the principle of opt-in as set out in the Collins report, for example?

Ms Ruth George: The principle that the union is collectively affiliated to the Labour Party, which is a policy that has been decided by the union's own democratic structures and is therefore one that members in general will abide by but have the opportunity to opt out of, is a sound one.

Lord De Mauley: That sounds like a no. You do not accept the principle of opt-in in the Collins report.

Ms Ruth George: The Collins report does not talk about opting in to the union's political fund but about having a separate tick-box on a union membership form in order for that member to agree that their membership subscription can form part of an affiliation to the Labour Party.

Lord De Mauley: That is an opt-in and you are happy with that. I am just asking about the principle.

Ms Ruth George: On the principle of the political party part, we have agreed with Collins that we will move towards that, but for the political fund as a whole we do not.

Lord De Mauley: Understood. For those who are affiliated, if a member opts out of the political fund—this may differ from union to union; I simply do not know the answer—does the same amount still go into the political fund but is simply deployed in a different direction, or does a lesser amount go into the political fund?

Ms Ruth George: If a member has opted out of the political fund, their contribution cannot go into the political fund. In Usdaw they are sent a refund of those contributions.

Lord De Mauley: Do they subscribe the same amount but it simply goes elsewhere in the union's funding?

The Chairman: Do they get a rebate?

Lord De Mauley: Do they get a rebate universally and that is it?

Ms Ruth George: In Usdaw the rate of subscription is the same; otherwise, it becomes very difficult to operate the check-off system. But members are sent a rebate of the political contributions at year end.

Mr Tony Dale: Members are entitled to a refund.

Mr Matt Wrack: For us, the rate of contribution would alter if somebody opted out of the political fund.

Dealing with the other point about rates of affiliation, our union was affiliated to the Labour Party, decided to disaffiliate, and has reaffiliated to the Labour Party. Through our democratic structures we have made it clear that no political fund from our members in Northern Ireland and Scotland will be used for that affiliation.

Q64 Baroness Dean of Thornton-le-Fylde: Predicated on your assessment of the Bill, if it went through it would have an impact on the political fund, but what would its impact be on your political activities? I am not talking about party affiliations. Linked to that, do you have any concerns about the reporting requirements under Clause 11?

Ms Ruth George: A high proportion of Usdaw's political fund goes to the Labour Party. We have a very low political levy, so the affiliation fee is a high proportion of that anyway. About 11% of it in the last calendar year was spent on other activities, mostly political education activities—training, education and conferences to get members talking about politics. We have a lot of young members, and we have a majority of women in membership and a lot of groups that are not as engaged in politics as many others. It is very important to us to try to help them to get a political voice, to raise issues in their workplaces and to bring them to politicians so that they gain in confidence and start voting, going out to the workplace and encouraging others to vote and have a political voice. We are very concerned that those political education activities would suffer and that our campaigns would suffer, too. We are running a campaign on Sunday trading at the moment, and we have been talking about tax credits and other issues. By law, those campaigns do not have to come out of the political fund, but the union's subscription rate is always under pressure. Our members are very low-paid; they work primarily in the retail sector. We keep the subscription rate as low as possible, so there is an enormous squeeze on the general fund. The budget is not sufficient for campaigning to come out of the general fund; you cannot assume that a general fund

would be able to take on those activities. We have been faced with cuts of about £1.5 million in the education and training of trade union reps over the last year. Those are the sorts of holes that we need to plug.

Mr Gareth Young: We are not affiliated to the Labour Party, so the entire sum of our political fund is spent on political campaigning.

Baroness Dean of Thornton-le-Fylde: Such as?

Mr Gareth Young: We choose to spend some of the money from the political fund on our fringe and party conference stands where we have direct political messages, so we would no longer be able to do that. We spend it on other activities, including anti-racism and anti-fascism, and other campaigns such as our vote for education campaign last year. We would see a reduction in all those things. In addition, the cost of sending out letters and return envelopes would be about £300,000, which is more than our political fund for a year.

Baroness Dean of Thornton-le-Fylde: I asked about Clause 11. I do not know whether somebody could reply to that.

Mr Matt Wrack: I re-emphasise the point that we have a small finance department. For example, monitoring every bit of expenditure to see whether it needs to be allocated to the political fund, which we do anyway, but then having to report that to the CO—if we make an error, we might be investigated and made subject to a levy and potentially fined—would create a huge amount of red tape for voluntary organisations. That seems to us to run completely counter to the Government's stated agenda of reducing red tape elsewhere in civil society.

Baroness Dean of Thornton-le-Fylde: Do the others agree with that point?

Ms Ruth George: Yes, and I would add that the vast majority of our spending under the political fund is already reported. The amount to the Labour Party is reported in quarterly donation reports, and the third-party spending at election time is already declared in a very detailed way.

Baroness Dean of Thornton-le-Fylde: We are aware of that particular reporting requirement.

Ms Ruth George: The extra reporting requirement would be for conference delegates—union members attending Labour Party conferences. We are very concerned about the requirement to itemise each item of spending. We pay members for loss of wages incurred

when they attend a Labour Party conference, because otherwise they could not afford to attend. Effectively, you would be publicising somebody's rate of wages in those declarations. They ask for their train and taxi fares. If somebody has a disability, they might incur excessive taxi fares. All those would be publicised. It would be a real intrusion of privacy for ordinary union members who are just seeking to represent other members by going to a conference. The amount of effort incurred is completely disproportionate.

Baroness Dean of Thornton-le-Fylde: Mr Young?

Mr Gareth Young: Obviously, we do not know the entire impact, but we know that it would create extra bureaucracy for us. We know that as a result of the 2014 lobbying Act there was an increased burden in what we had to do in monitoring the costs and so on.

Q65 Earl of Kinnoull: That folds pretty neatly into what I want to ask. I want to hear about the impact assessment mentioned in Mr Dale's opening remarks. I want to know three things. First, what do you feel about it generally? Secondly, it is silent on what changes in union IT systems might be required; I am thinking particularly of membership and accounting IT systems. Thirdly, it makes assumptions about the cost per letter sent. Do you agree specifically with that costing?

Ms Ruth George: In our written submission we set out an analysis of the impact assessment's costings and how they do not coincide with reality. Our main concern about the impact assessment is the assumption that 100% of trade union members will opt in to the levy, with absolutely no analysis of things like response rates to mailings and what happens with other mailings we send our members, such as the political fund ballot participation or union elections, where we have about 5% membership participation. We ask them to put a cross on a piece of paper and send it back in a prepaid envelope, which is what we would be looking for people to do. That is our biggest concern. It just shows that there is no sense of reality about what this is going to do to trade unions and how members will respond to it.

There are also the costs. The mailing is okay; it is the bureaucracy and inputting written forms that will be the serious problem. The impact assessment claims that it will take 30 seconds from receiving an envelope to open it, take out the letter, extract the information, put the membership code into the membership system, find that member's details and

update them on a computer. A robot could not do it that quickly, let alone a human. We have trialled it and it takes about five times as long.

Earl of Kinnoull: It would be deeply interesting to hear other people's views on that as well.

Mr Gareth Young: The impact assessment seems to be based simply on the cost of a stamp per member. That is all it seems to be. Besides anything else, we would have to send an SAE. We would have to send one back, so that would double the cost. We could not expect our members to pay to send it back. We mentioned all the other costs. We do a survey called the Big Question every year. We send it out to all our members and about 20,000 fill it in. It is much more complicated than this, but the amount of time and cost it takes to process that survey demonstrates the costs that this proposal would create for us.

Mr Matt Wrack: The impact assessment of the political fund shift to an opt-in seems to contradict the whole rationale of creating the opt-in proposal in the first place. It is made on the basis that people are unaware of it and somehow that is unfair, but if we made the change there would be no difference. That seems to be flawed logic.

We need to look at this in the round. In the public sector, many unions are already dealing with other elements and perceived threats in this Bill, which in our case is the shift from check-off to direct debit. That is already imposing huge administrative burdens on our organisation. We have had to take on large numbers of temporary staff to cope with that process. What this bit of the Bill proposes is a further administrative burden, first, in engagement with the member to explain it, which we believe needs to be done face to face, and then the administrative IT and accounting systems that you have mentioned. All that adds to burdens on what is, I repeat, a voluntary organisation. The impact is to undermine important voluntary organisations in civil society.

Earl of Kinnoull: It would be very helpful if afterwards we could have the figures sent to us.

Mr Matt Wrack: We can do that.

Lord Callanan: You said earlier, somewhat to my surprise, that in Northern Ireland, where they have an opt-in system, you managed to get 40% of your members to opt in. Mr Wrack, what percentage of your members in Northern Ireland opt in?

Mr Matt Wrack: It is 42.9%.

Lord Callanan: Is there any reason to suspect that, if that system was transferred to England, Wales and Scotland, you would not be able to get a similar percentage?

Mr Tony Dale: That system is very different from the one proposed.

Lord Callanan: I understand that, but if it was an opt-in system with the same transitional timescales, et cetera, would you be able to get a similar percentage?

Mr Tony Dale: It would be hard to put a figure on it, but if people were asked to opt in as they joined the union, we would look to the Northern Ireland figure as the starting point. Given that we are not affiliated to any party in Northern Ireland, that is probably the target we would set.

Lord Callanan: It is somewhat different from the apocalyptic scenario given by other union colleagues earlier, who said it would be only 10%.

Mr Matt Wrack: It is a very different system. It is done on joining as a permanent arrangement with the subsequent right to opt out. It is a very different arrangement from what is proposed under the Bill.

Lord Richard: With great respect, that is a misrepresentation of what has been asked and answered. The question is not whether you would get 40% of new members but what the effect would be on the existing membership of the union. There is no doubt that it would be much more difficult to persuade existing members who have opted out to opt in than it would be to get new members to opt in.

Mr Tony Dale: That is mainly because of the mechanism we would have to use in contacting them. I do not want my comments to be misunderstood. We very much wish to see the opt-out system continue, but what is being proposed is not just a debate about whether there should be opt-in or opt-out but about a mechanism that could effectively decimate trade union political funds as we know them.

Lord Richard: That is the point.

Q66 Baroness Drake: Perhaps we could stay with the mechanism and the manner of introducing opt-in, not the impact of the switch to opt in, so that we give you a chance to comment on all the parts. On the requirement in the Bill that it should be undertaken in writing, we have had your response. To summarise it, you get a much lower response rate to written communications, which would aggravate the impact of the switch to opt-in. Unless anyone wants to contradict it, that seems to be the view of the panel. I invite you to express a view on the other two elements. Could you give us a view on what you think is the impact of the proposed transitional arrangement of three months and of the requirement for opt-in

to be reviewed every five years? Usdaw has given us a view on that in relation to how much it would have to spend from a reduced political fund. None the less, perhaps the panel would like to comment on the proposed transitional arrangements and the requirement for opt-in to be reviewed every five years in terms of the impact on the political fund and contributions to the Labour Party.

Mr Tony Dale: In that three-month transitional period we would have to communicate with 440,000 members. It would be a huge task to get them to fill in forms to respond. Our members join, and if at any stage they wish to leave they can contact us, or they can contact us to opt out. We have turnover, so it is not as if we have 440,000 members who would always be in that situation. We have a turnover of between 70,000 and 75,000 members each year; about 20% of the union leave and join. We think the transition is unnecessary. Members who are covered by the funds have been asked a number of times, through the political fund ballot, whether they want the fund to continue, and we have also had conference decisions to support that. The three-month transitional period and going back to look at current members is close to unworkable.

Baroness Drake: You say that it is close to unworkable. When you gave evidence about your members' response rate to mailings you said that it was 5%, and then you do a follow-up and get it up to 10%. Are you saying that in those three months you would have to have a double hit on those members to get a 10% response rate?

Mr Tony Dale: Yes. The best-case scenario is that we get 5% written responses, and hopefully we would use organisers and shop stewards to encourage another 5% to respond.

Baroness Drake: Within three months.

Mr Tony Dale: That is very optimistic.

Mr Matt Wrack: Colleagues in the trade union movement and in other organisations are discussing the best way to communicate in the modern world. There is a clear shift away from written and posted communication to electronic communication. There is the idea in the Bill that you simply send a mail-out, but by and large people nowadays think that it is just junk mail, which is one of the difficulties with postal ballots for example. We have had dialogue with external consultants about that. For example, what is the rate at which people open emails if they are not from a personal friend or whatever? I think trade unions have better engagement on the opening of emails. We have found—I suspect my colleagues have,

too—that the best way to explain things in a voluntary organisation is face-to-face discussion, because some of these are quite complex issues. There is this idea that you can explain them very easily in a couple of sentences and people will say, “I understand that. Let’s tick yes”, but people ask questions, so face-to-face communication is absolutely essential. Doing that in three months in any industry is unachievable. For us, in some cases it is five people on a small fire station on a Scottish island, and that is unachievable.

Mr Gareth Young: Our situation is quite complex, in that 2% of members opt out, so 98% opt in. We campaign on wider issues: child poverty, SEN or whatever it might be. To have a conversation with members in three months about the fact that if they do not vote for that they will no longer get some of those things, and trying to define what they are and what they are not, will be impossible. To try to tell them that we will be able to campaign on X but not on Y would be very complicated.

Mr Matt Wrack: The five-year renewal process will be a huge exercise for every single union, and then to be required externally, when there is no internal demand, to do it again five years later places an unreasonable burden on voluntary organisations.

The Chairman: I would be interested in knowing the total costs of the exercise as a proportion of the income of the fund.

Ms Ruth George: It makes it doubly difficult that we do not have any notice period. The three months are meant to start at the date of Royal Assent for the Bill, according to the draft. That is the basis on which we are working.

The Chairman: I am not quite sure that is right. Last night, the Minister said that it does not necessarily start the day after.

Ms Ruth George: That is what it says and what unions—

The Chairman: That is how they have interpreted it.

Ms Ruth George: That is what the Bill says at the moment. We would welcome much more notice of any transitional period. Any business faced with the amount of work and contact rates that we have to deal with in three months with no notice would be complaining.

The Chairman: Thank you very much. I am sorry that we have to rush. We have already kept another witness waiting outside. We are very grateful to you. If there is anything you want to send us in the light of our discussions, or any other communications, we would be very happy to receive them.