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ANNUAL DELEGATE CONFERENCE - ITEM E1

EC REPORT ON SUBSCRIPTION BANDS AND POLITICAL FUND CONTRIBUTIONS

The EC has submitted the motion and Report below. Although this item was not included in the Preliminary Agenda, SOC has accepted the motion in order to facilitate the instructions of TSSA Conference 2018.

Branches will be aware that Item 73 dealing with the Political Fund called for the report to be produced for Branches within 6 months of conference. The resources required to facilitate our unions head office move towards the end of 2018 meant that the report(s) called for were not able to be produced on time and I would like to offer my sincere apologies to Branches whilst asking for their understanding over what was an unavoidable delay.

EC Motion:

That this Conference endorses the EC Report and instructs the EC to implement the various actions proposed	1 2
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The report is attached.

Amendments (not more than one for each branch or SOG) may be submitted on the attached form, addressed to Pam Collins at the above address before **03rd May 2019**. Please email a copy of the amendment text to support.services@tssa.org.uk and soc@tssa.org.uk.

ITEM E1

EC Report - TSSA Subscriptions and TSSA Political Fund

The following resolutions were carried at Conference in 2018:	1
TSSA Subscriptions (Item 72)	2
<i>That this Conference notes that Emergency Item E6 (Minute 66) at 2014 Annual Conference set the weekly subscription rates for 3 bands of Annual Projected Earnings.</i>	3
<i>It is also noted that these bands have not been adjusted in line with inflation or pay rises, yet subscription rates for members have.</i>	4
<i>Conference instructs the EC to review the Projected Annual Earnings bands range and arrange for the appropriate adjustment.</i>	5
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TSSA Political Fund (Item 73)	10
<i>That this Conference notes:-</i>	11
<i>(a) the overspend on the Association's Political Fund reported at 2017 Annual Conference;</i>	12
<i>(b) that the current Political Fund contribution rate has been in place for a great length of time, massively decreasing its real value;</i>	13
<i>(c) the continuing importance of government at all levels in determining crucial aspects of public policy, law, and governance, and funding of public institutions like Network Rail, and therefore on the jobs and lives of our members and their dependents;</i>	14
<i>(d) the additional calls on the Political Fund with the plethora of additional elections for devolved assemblies, large city/combined authority mayoral elections etc, and</i>	15
<i>(e) the need to publicly campaign on political issues affecting our members and in support of the Labour Party and Labour Party candidates to tackle those issues.</i>	16
<i>Conference therefore instructs the EC to review the demands on the Association's Political Fund and, emerging from that review, to establish what future contribution rates should be set at. Conference calls on the EC to produce a report to branches within six months, including recommendations on what the future Political Fund contribution rate should be, and to bring the necessary Rule alterations to the 2019 Annual Conference for decision.</i>	17
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Subscription Bands Review	31
An analysis of the data held in respect of members salaries and subscription rates shows that the union does not currently hold accurate salary details for approximately 65% of members. Assuming that the impact of any adjustment was to raise the upper limit for band 1 and the lower limit for band 3, we couldn't predict what this would mean for our finances.	32
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Network Rail changed their payroll programme to accommodate the introduction of our banded subscription rates, with the result that all members in Network Rail	38

who pay their subscriptions via the paybill are currently in the correct band although we don't know exactly what their salary is. This is the most accurate data we hold in respect of salaries across any of the companies we deal with and the analysis identifies a significant number of anomalies when compared to Network Rail members who pay via direct debit.

More widely we have those members who pay via direct debit, 74% of all members, and have updated their salary band via MyTSSA or who have joined since the banded rates were introduced. They all identify their salary as falling into a band of £5k but again we do not know exactly where this is.

In addition to the above, we also have all the members who were defaulted into Band 2 if they never identified themselves as either Band 1 or 3, and whilst we do not know how many members this now includes, it is suspected that it includes a significant number of members who are more than likely in the wrong subscription band. As an example, Customer Service Managers in London Underground fall into the respective subscription bands as follows - Band 1 (less than £20k) 3 members, Band 2 (£20 - £50k) 188 members and Band 3 (more than £50k) 28 members. With the average salary for a LU CSM being above £50k, it is difficult to believe that there are six times as many of our members in the grade earning less than £50k than there are earning more than £50k. It is also reasonable to believe that not all of the 3 members in Band 1 are actually earning less than £20k per annum. This is not an isolated example, as there are anomalies across many job titles.

In the table below, the unknowns represent 87% of the payroll total, but only 56% of the direct debit total:

Salary Band	Members paying by		
	DD	Payroll	Total
-	7596	3878	11474
£1,000 - £15,000	256	23	279
£15,001 - £20,000	377	25	402
£20,001 - £25,000	685	111	796
£25,001 - £30,000	822	85	907
£30,001 - £35,000	826	70	896
£35,001 - £40,000	689	64	753
£40,001 - £45,000	603	42	645
£45,001 - £50,000	500	44	544
£50,001 - £55,000	413	26	439
£55,001 - £60,000	211	15	226
£60,001 and above	385	23	408
Decline to say	38	3	41
Grand Total	13401	4409	17810

Based on the current information, any review of the bands would struggle to take proper account of recent pay rises or inflation. The information held is incomplete and as such the only way we could adjust the bands with any degree of accuracy

would be to move each of the bands up by £5k. This would mean Band 1 started at £25k and Band 3 at £55k and as there are currently 796 members in the £20-£25k band and 439 in the £50-£55k band this would mean that doing so would cost the union about £130k/yr in subscription income. The effect of this could be mitigated by increasing either the upper limit of Band 1 or the lower limit of Band 3 in isolation, but it is not clear if this is what is intended from the terms of the resolution carried at Conference. Anything that impacts adversely upon our union's membership income must be addressed either by savings elsewhere or alternatively through future increases in subscription rates.	82 83 84 85 86 87 88 89 90
Any other change would require us to contact all those members involved and asking them to adjust their subs if necessary to reflect the new banding. This would also mean a fall in income, although by how much no one can predict as we do not know where the members concerned fall within their respective bands in terms of the salary actually earned.	91 92 93 94 95
Joining online is the preferred method for new members joining our union and giving a salary band is compulsory (or, if opted out, you are defaulted to rate 3) so as members join on line we are getting a higher proportion of members' salary information.	96 97 98 99
We could do a project aimed at matching job titles and grades with agreed salaries and consequently with our subscription bands whilst also actively encouraging all members to update their MyTSSA records to better reflect their actual salary. This would be a major piece of work involving all paid staff, branches and workplace reps working together but would ultimately mean that any subsequent review of the salary bands would come with less risk to the subscription income of the union.	100 101 102 103 104 105
The Executive Committee is therefore proposing to undertake a branch consultation to determine what support there is for increasing the upper limit for Band 1 subscriptions alone, or whether the lower limit for Band 3 should also be adjusted upwards. At the same time a major plan will be developed to get members to update their MyTSSA records and also to better match job titles with grades and salaries across the workplaces where our union organises.	106 107 108 109 110 111
With more complete information on members' salaries the EC would then propose bringing any necessary rule changes for consideration at the 2020 Annual Delegate Conference.	112 113 114
Political Fund Contributions	115
The introduction by the UK Conservative Government of changes to the law Governing Trade Unions Political Funds via the 2016 Trade Union Act (TUA 2016) essentially meant that since April 2018, new members of any union with a Political Fund, have to actively opt-in to the fund.	116 117 118 119

Since the changes affecting new joiners to TSSA force an active ‘opt-in’ (in TSSA’s case that means ticking a box on the membership form or on the website that has a short legal explanation) we have seen on average 21% of new joiners opting to contribute to the Political Fund. Prior to this 95% of TSSA members contributed to the Political Fund. At the moment the fund still has the vast majority of TSSA members paying into it, but in the 8 months since the implantation of the TUA, our category 1 membership (paying into the Political Fund) dropped by 8%. If this continues at the same rate, this will mean a 12% drop across the course of the first year.	120 121 122 123 124 125 126 127 128
Contributors have fallen from 95% of members paying the political levy to 87% in just 8 months. For membership to remain steady, our union needs to recruit a new member for every member that comes out of membership for whatever reason. At the current rate, for every 20 members who leave the union, on average 19 of them will have been contributors to the Political Fund. Of the 20 new joiners our union needs to recruit to maintain current membership levels, only 4 of them will agree to contribute to the Political Fund.	129 130 131 132 133 134 135
The current average opt-in rate to the PF for new members at 21% is better than we had expected. However, even at this rate we will still see the numbers paying into the fund overall drop by an estimated 12%, and it will only take 4 years for TSSA to have lost 48% of its current Political Fund contributions. In real terms that means TSSA’s annual Political Fund income would shrink from current annual income of circa £120K to around £60K by 2022, or the current date of the next fixed term General Election.	136 137 138 139 140 141 142
The implications of this would make for some tough choices, including substantially dropping the number of nationally affiliated members to the Labour Party, and therefore the likelihood TSSA would lose its seat on the NEC, and have a smaller entitlement to delegates at Labour Party conferences, whether regional, or national. TSSA recently saw its London Labour Party Conference delegation entitlement shrink by 1 delegate after we updated our affiliation figure with London Labour. It also means that TSSA’s ability to fund election campaigns would be severely impacted, as would our ability to support our TSSA group of MPs during a General Election, or new candidates into Parliament.	143 144 145 146 147 148 149 150 151
The Conference resolution instructs the EC to review the demands on the Association’s Political Fund and, emerging from that review, to establish what future contribution rates should be set at. In the short term, a small increase in the political levy of 1% or 0.5% seems initially attractive, and would in the short term likely boost income. However, any changes to the fund require rule changes and have to be communicated in writing to all members. In 2018 all new members, under the new government legislation, had to be written to directly setting out their option to leave the Political Fund. Although the number of members who chose at that point to opt-out was not massive, it was significant, and it is likely that writing to all members with a percentage increase could precipitate a larger	152 153 154 155 156 157 158 159 160 161

number of current levy payers deciding to opt out of the fund altogether. The Executive Committee believes that this course of action would ultimately serve to increase the rate at which the Political Fund would decline.	162 163 164
Any change in Political Fund contributions would also have to be balanced against the need to recruit new members into the fund, some of whom may be less likely to opt-in to paying the levy if it was at a higher rate.	165 166 167
The EC does not believe that changes to the Political Fund contribution rates are appropriate at present and proposes to focus instead on the number of new members opting in to the fund from 21%, and to invest resources into attempting to increase that figure.	168 169 170 171
One of our union’s priorities for 2019 will therefore be to create a strong pathway for new members to opt into the Political Fund, so that we can boost the number of contributing members. Part of the difficulty we face as a union is that the preferred method of joining the union is increasingly online, where there is no opportunity to have the face to face discussion on the fund which other unions have used successfully to maintain high numbers of contributors. USDAW and CWU, for instance, have 80% and 50% respectively of new members contributing to their fund as a result of such campaigning.	172 173 174 175 176 177 178 179
The EC will look to increase the ‘opt-in’ figure substantially starting with some of the following proposed campaign elements:	180 181
<ul style="list-style-type: none"> • TSSA Materials to explain clearly why opting IN is a good idea, to go with every membership form. • Use of TULO ‘message-testing’ survey previously carried out of TSSA members so we know how best to affect their decision to join (or not join) the Political Fund. • Training for Reps in the workplace about conversations on this topic • An email campaign and phone campaign to non-opted in members (discussions on that are already underway and could be accelerated) • A proper landing page on this topic on the website - including, perhaps, a ‘pop-up’ video explaining what the Political Fund is for, and why members should opt in. • A dedicated micro-site linked through the membership join page making the case for why new members should opt-in. Given most TSSA members now join online, this is crucial. 	182 183 184 185 186 187 188 189 190 191 192 193 194 195
The Executive Committee will additionally look to develop a campaign with on-line resources to significantly enhance the number of members making voluntary contributions to the unions political fighting fund which was set up to provide a source of funding during the period when the Political Fund was in deficit.	196 197 198 199

