



Unite Executive Council Report September 2018

Previous Executive Council Minutes from June 2018: Read and Adopted

Minutes of Special EC from 30th June: Read and adopted

FGPC minutes from 19th July: Read and Adopted

General Secretary's Report

Activities of the General Secretary for the period since the Executive Council meeting of December 2017:

Public Meetings and General Events

- Attended TUC Executive and General Council.
- Attended TUC Extraordinary Meeting.
- Attended Workers Uniting Steering Committee.
- Attended screening of Jack Jones film.
- Attended Uniglobal 5th World Congress.
- Attended Policy Conference.
- Attended TUC 150th Anniversary event.
- Made presentation to Tom Jones, 100 year old member.
- Interview with Nikki MacDonald for Masters in Industrial Relations dissertation.
- Interview with Lewis Bassett (Comms for Chris Williamson, MP) for his PhD.
- Meeting with Geoff Shears, USI and John Hendy, QC.
- Meeting with Mick O'Reilly and Maurice Cunningham.
- Attending Derek Draper book launch – 'Create space: how to manage time and find focus, productivity and success'.
- Wear Red Day for Show Racism the Red Card event.
- Attended Durham Miners Gala.

Political, International and Inter-Trade Union Matters

- Meeting with Patrick Robinson, AIR BNB and Bruce Raynor
- Meeting with Florian Almeling, KPS and Bruce Raynor.
- Meeting with Anneliese Midgeley, Political Director re: Labour Live



- Chinese Embassy Lunch with Ma Hui, Political Head; Dan Carden, MP and other MPs.
- Meeting with Dave Ward, GS, CWU.
- Meeting with John Mann, MP.
- Meeting with Peter McIntosh, NO, re: joint letter to Labour Party on Energy Unions.
- Meeting re: Political situation and Democracy Review with Anneliese Midgeley, Political Director and Andrew Murray, CoS.
- Meeting with David Gauke, Secretary of State, and other GSs.

Administrative and Organisational Issues

- Meeting with Gail Cartmail, AGS; Tony Burke, AGS, Diana Holland, AGS, Andrew Murray CoS, Barbara Kielim, HR re: National Officers Secretarial cover.
- Various meetings with Andrew Murray, CoS; Pauline Doyle, Director of Comms; Howard Beckett, AGS and Ed Sabisky, Director of Finance.
- Meeting with Ian Woodland, Acting Regional Secretary and Andrew Murray, CoS.
- Meeting with Ritchie James, RS.
- Meeting with Jackie Pollock, RS and Brendan Ogle, RO.
- Meeting with Brendan Ogle, RO.
- 1:1s with Sharon Graham, EO + meeting re: WAVE.
- Meetings with Jennie Walsh, Comms.
- Meeting with Matt Draper, NO.
- Meeting with Joe Clarke, RO and John Walsh, RO.
- Meeting with Annmarie Kilcline, RS.
- Meeting with Andy Richards, RS.
- Meeting with Gail Cartmail, AGS re: RIO investigation.
- Digital Working Party Meeting, Hawke Demonstration and update with Andrew Murray, CoS; Pauline Doyle, Director of Comms, Sharon Graham, EO ; Howard Beckett, AGS; Paul Mease, Head of IT; Barbara Kielim, HR; and Peter Irwin, Systems Developer.
- Rules Conference Planning Meeting with Irene Dykes, Head of Admin; Andrew Murray, CoS; and Adrian Weir, Assistant CoS.
- Meeting re: Pilot Retention Scheme with Barbara Kielim, HR; Sharon Graham, EO and Howard Beckett, AGS.
- Meeting with Sarah Carpenter, NO.
- Meeting with Bev Clarkson, NO.



Constitutional Committees and Industrial Matters

- Conference call with Joe O’Flynn, SIPTU, and Jackie Pollock, RS.
- Meeting with Gail Cartmail, AGS; Sharon Graham, EO and Bernard McAulay, NO, re:
Energy from Waste.
- Meeting with Ian Allinson, Fujitsu.
- Meeting with Jackie Pollock, RS and GIST stewards.
- Conference Call with Carlos Tavares, Chairman of the PSA Group and Tony Burke AGS.
- Meeting with Howard Beckett, AGS; Nigel Stott, BA and Chris Harrison, BA.
- Meeting with Directors of Peel Ports.
- Meeting with Marshalls Shop Stewards.

Principal Speaking Appearances

- Spoke at Policy Conference.
- Peoples Question Time @ Labour Live.
- Spoke at Anti-Trump Rally.

Principal Media Appearances

- Video for Swansea Vale Review.
- Video for Labour Live.
- ‘Now What’ interview with Robert Peston.
- Len McCluskey in conversation with Alex Nunns.
- Vice Magazine interview.
- Facebook interview with Robert Peston.
- Photo-opp with manufacturing reps outside Parliament

ORGANISING REPORT

Growth (100% extended)

Although overall there is a slight decrease in paying membership, 50% of the Regions are now recording positive growth.

The joiners’ comparison between 2016 and 2018 shows that there have been **significantly more joiners in 2018** as activity increases.

The leavers’ figures demonstrate that two-thirds of those that have left the Union in 2018 are under the age of 55.

Over 83% of our members are employed in workplaces with recognition and, we have over 18,000 workplaces where the employer has 5 or more Unite members in a region. Great potential.



The pilot to re-sign DD leavers has shown real promise, although Organisers have had to be taken off other work, to undertake the task for the pilot interim period. There is an obvious disparity between Sectors that have a major problem with Direct Debit leavers and those where the impact is more modest.

Automation

The National Organising and Leverage Department is preparing bespoke sector papers that draw on the workshops (see below) and the automation survey, as well as the latest research on key issues relating to the sector. NISCs, Equalities Committees and Regions that have had workshops should receive drafts of these papers by the end of the year.

Unite's political response to automation will form part of the 21st Century Workplace Manifesto. These proposals, developed through discussions with activists, will focus on creating more and better jobs, making sure that workers get their piece of the pie and retaining work as a central pillar of society. For example, policies to get a shorter working week, better retirement policies, address the dangers of biased algorithms and ensure that tax and subsidies incentivise the creation and maintenance of jobs. It should also be noted that following Policy Conference, Unite's policy is now for the Executive Council to examine any proposals for Universal Basic Income and decide whether they are in line with our automation strategy before offering the union's support.

Insecure Non-Permanent Employment and Outsourcing

As a first step, the Executive Officer will be consulting on this new Unite Investigates Report, whilst the Department looks to draft a new template *Work, Voice & Pay* agreement on Outsourcing. This will complement the existing template on Agency Working which we will (available from the WVP section of the Unite website).

Alternative Strategies

Bespoke, targeted training for Shop Stewards and Reps will be critical in the development of alternative strategies. To this end the Department is preparing a short session on company information and structures (including the new Employer Profile Generator) for activists in each Sector. It is hoped that the first roll-out will be at the forthcoming automotive Shop Stewards meeting in October. We believe that long-term there is potential for this type of training to be delivered in short sessions online as part of *Work, Voice and Pay* and in parallel to the development of industrial tools for Shop Stewards.



Trigger Agreements

As part of evolving innovative WVP collective bargaining solutions, the Department is continuing to develop strategies to deliver 'trigger agreements'. This is particularly relevant

for those seeking some form of industry bargaining or bargaining across a defined geographical area covering multiple employers.

The concept is that the most powerful employers are targeted to negotiate minimum standards, but none of the standards have to be enacted unless there is a critical mass of

employers signed up. For example, if employer A signs up to the agreement with Unite but

employers B and C have not, then it is agreed that until either B or C do sign then A does not have to enact all aspects of the agreement. This approach can be varied in a multitude of ways to suit individual circumstances. The Department is planning a pilot in the construction sector.

EQUALITIES REPORT

1. Unite Equalities at Policy Conference 2018

More than one delegate commented about the strong diversity of Unite speakers at Policy Conference in all debates. A tribute to all.

Motions on Equality : Unite's commitment to Equalities was strengthened by major motions

on key issues : Sexual harassment and Domestic abuse, Industrial strategy including Women

and Automation, Women's health and menopause at work, Irish repeal the 8th – Women's

choice, Brexit and Equalities, Rights for People with Disabilities, Improving the face of our union by increasing employee diversity, Equality impact assessments, Unconscious bias,

LGBT Asylum seekers, Gender Identification and International Women's Day; Dignity at

Work, Universal Credit, Unconscious bias, Carers and anti-fascism anti-racism. A motion on

migrant workers was remitted to the EC for appropriate implementation.

Equalities Stand – New leaflets were launched – Unite Equality Updates on : Gender Pay



gap, Immigration Acts, Universal Credit and disabled workers, Pride and LGBT rights internationally, and Unite Equality Boxes and Sashes with Women's Suffrage costumes were available for delegates to post messages which were stored electronically.

2. Unite Industrial / Equalities priorities

As can be seen in the reports that follow, Automation has been a particular priority of both

Unite women and Unite BAEM members. Brexit is also a key priority across all Equalities

sectors. Following on from the recent elections to all Unite Committees, together with the

National and Regional Women's, BAEM, Disabled Members and LGBT Committees, National

Equalities Officers and RWEOs, we have been coordinating to ensure that the links between

equalities and industrial sectors are strong and effective, and that where any vacancies

remain these are addressed as a priority both nationally and regionally, in line with Unite

rules. At the recent AGS NOs meeting, we ensured all were briefed on this, and updated on

key priorities from the Unite National Women's BAEM Disabled Members and LGBT Conferences held earlier this year, as well as from decisions at Policy Conference. In

relation

to organisation and 5% Growth targets, I have identified with Jackie Jean-Baptiste the

importance of pivot tables in membership analysis.

3. ILO Convention : Violence and Harassment in the World of Work

By the end of the International Labour Conference held in June this year, the Workers,

Governments and Employers of the world had reached agreement on the first stage towards

a binding Convention with, in spite of a number of efforts not to do this, important commitments to all the issues of major concern to trade union delegates, including specific

references to gender-based violence, domestic abuse, migrant workers, transport workers,

public sector workers, informal and workers on precarious and insecure conditions being



particularly vulnerable. The 2019 centenary ILO Conference now has the opportunity to complete the task and ensure the ILO convention and recommendation are adopted. Thank you for all the support.

4. Ford women – 50 years celebration Thank you to the EC for participating in the photo to celebrate this incredible milestone in the struggle for Equal and fair pay, which was used to campaign on behalf of Unite. The poster and our messages were distributed electronically and at major events in Dagenham and in Manchester, and I was involved in media interviews about the significance of the achievements for women of today.

5. Unite Migrant Workers – ‘Our Industrial Voice’

I spoke at a powerful Migrant Workers Day celebration organised by the Philippine Embassy Labour Attache on Sunday 24 June in Baden Powell House, and have been involved in follow-up initial discussions with the TUC, SERTUC, GLA, Philippine Embassy and Voice of Domestic Workers about a London-based migrant workers celebration event. This is being followed up with Harish Patel, Peter Kavanagh and London & Eastern region as part of taking forward the remitted motion re a pilot, and initial discussions have taken place. FDA Sector has also passed a motion and a sector pilot is therefore also under discussion. Together with Harish Patel, discussions have taken place with Ben Norman over trade union approaches in different countries related to Brexit, migrant workers and Freedom of Movement.

6. TUC and Labour Party

- a. 150 years TUC women’s committee in Manchester – in recognition of the 150th anniversary of the TUC, the Women’s Committee was held in Manchester, site of the first TUC. It was followed by a special meeting on women in our movement, led by TUC General Secretary Frances O’Grady.
- b. TUC LGBT Conference took place during Policy Conference.



c. Labour Party Work, Pensions & Equality Policy Commission.

d. Labour Party Democracy Review – Women, BAEM, Disabled, LGBT – Unite Equalities has been involved in all aspects of the review with the Political Department.

e. Labour Women’s Conferences 2018 and 2019 – preparations for the next Labour Women’s Conference, which is still on a transitional basis, as well as for the stand-alone conference in 2019 are fully underway.

7. Unite Equalities Working Group – bringing together EC equalities reps and Chairs/Vice-chairs of National Women’s, BAEM, Disabled Members, LGBT Committees, AGS Equalities and National Equalities Officers, Equalities Researcher and Specialist Equalities Tutor took place and discussed all key over-arching equality issues, union equality reps, industrial/equalities, Unite constitutional matters – elections and motions implementation, TUC and Labour Party equalities issues, equality education & research.

8. Regional Women’s & Equalities Officers – following the positive meeting with Regional Secretaries on key equality issues, a very positive meeting was held in London & Eastern region with the RWEOs, Regional Secretary, RCO, National Equalities Officers and AGS to discuss key implementation issues and national/regional strategic approach on equality priorities for strengthening and growing the union, as well as advancing equality bargaining, representation, campaigning. It was suggested this be a helpful pilot, and contact has now been made with other regions.

9. Celebrating Achievements of Trade Union Women

a. Ascott Martyrs “Striking Women” event at Feminist Library I was able to bring to life the story of the 16 women, the Ascott Martyrs, with women of today at this interesting evening event, which also included the Trico strike, Grunwick and Gate Gourmet.

b. Women Chainmakers event Cradley Heath West Midlands is now fully established commemorating the 1910 successful minimum wage strike.

c. London & Eastern celebration : Women’s Vote, Windrush, NHS, Ford women 50th proud to also be involved.

10. Carers Week: confirm support in Unite Live tribute to carers during Carers Week “Carers are a hidden, and often unacknowledged lifeline in our communities and families ...Unite reps support carers in the workplace and we will campaign with carers so they are supported and have the rights they need too.”



MANUFACTURING REPORT

UK Manufacturing & The Economy

The UK manufacturing sectors performance has failed to match the growth seen at the end of 2017 and has remained relatively subdued with quarterly figures the weakest in over a year, according to the latest **Purchasing Managers' Index (PMI)**. Growth in output slackened, largely offsetting a mild uptake in new orders and improved job creation.

The IHS Markit/CIPS UK Manufacturing PMI rose to 54.4 in June, just above May's reading of 54.3 (however, noting growth being a score above the no-change mark of 50), but almost four points below the 51-month high of 58.2 in November last year. Over the whole of the second quarter of 2018 the average reading was 54.2, the weakest since the final quarter of 2016.

While **output and new orders** rose across the consumer, intermediate and investment goods sectors, the overall rate of expansion in manufacturing output slowed with new order inflows growing only slightly, noting that whilst this rate of increase in new business rose to a three-month high, it was still among the weakest figures seen in the past 18 months. The amount of new work reported was for both the domestic and overseas markets with increased sales in Europe, China, South America and Australia being largely responsible for increases in new export business.

Job creation - staffing levels are rising at the quickest pace seen for the last three months and while the consumer, intermediate and investment goods sectors saw employment increase, the overall rate of jobs growth remained below what was seen in most of 2017.

Inflation in input costs rose to a four-month high in June as companies reported a wide range of imports having seen price increases, with some believing the cost increases were being exacerbated by shortages of certain raw materials.

More than 51% of the survey panel **expected output to rise** over the coming year due to market growth, investment spending, organic expansion, planned promotional activity and higher capacity. However, concerns about input price increases, possible future trade tariffs, the exchange rate and Brexit uncertainty meant the degree of positivity fell to seven-month lows.

The ONS reports that in the three months to March 2018, the **Index of Production** increased by 0.6% compared with the three months to December 2017, however,



the UK index of production June 2018 figures hadn't been published at the time this report was compiled.

On the wider economy, UK gross domestic product (**GDP**) was estimated to have grown by 0.2% in the three months to May 2018 with GDP growth driven by services, with falls in construction and production. The three-month growth was up from flat growth seen in the three months to April. Retail and wholesale drove growth in services, however, weak manufacturing pulled production growth down, with production contracting by 0.6% in the three months to May. The Bank of England has raised its overall GDP forecast for this year to 1.5% whilst also lifting next year's forecast to 1.8%.

It will be interesting to see how the Bank of England's **interest rate rise**, announce on the 2nd of August, and only the second rise in a decade, will pan out. The rate has risen by a quarter of a percentage point, from 0.5% to 0.75% - a post-crisis high being the highest level since March 2009, and is said to have been raised to slowly bring borrowing costs back to so-called normality and to keep a lid on inflation with the Bank of England predicting that CPI inflation will be 0.1 percentage points higher this year and next at 2.5% and 2.2% respectively. The interest rate move will increase the interest costs of more than three-and-a-half million residential mortgages that have variable or tracker rates, but it will be welcomed by savers, who could see a lift in their interest rates over the coming months.

Brexit

Brexit and its ramifications continue to dominate the manufacturing sector. Since the last Executive Council meeting there have been a continuing number of meetings with members and with employers and their organisations in regard to the direction of Brexit including the possibility of a "cliff edge" or Hard Brexit.

Discussions have taken place with the SMMT (automotive), EEF (general manufacturing), ADS (aerospace) and others at the time of writing meetings are being arranged with the chemicals industry and with Astra Zeneca.

A Lobby of Parliament took place attended by Shop Stewards and Reps from companies across manufacturing where their companies had been vocal on the need to secure a frictionless trade agreement and avoid a hard Brexit. The General Secretary took part in the press call and addressed the reps outside the House Of Commons. A successful and full meeting was held inside the House of Commons which was attended by a large number of Labour MPs - but sadly no Tories bothered to turn up. Our Reps went into the main Lobby to meet with Tory MPs but as expected many Tory MPs failed to respond to request for meetings.



The whole issue of Brexit will be dealt with in a separate report, however Unite is a key player in the Manufacturing Trade Remedies Alliance which will deal with dumping post Brexit although little progress is being made in this area with the Government insisting on its own structure which we are not convinced will work.

At a meeting of the MTRA with Government officials they advised us that they now wish to consult on potential Trade Agreements with the USA, New Zealand, Australia and the Pacific Rim (CTPP) countries. The AGS this is a 'cosmetic exercise' designed to make it look as if the Government is actually doing something. A trade deal with the TPP, Australia and NZ would be miniscule compared to the EU and a deal with Trump would be on his terms – having seen how he operates with an America First policy. Unite has suggested that the TUC call a meeting of Unions to provide appropriate response to the Government's consultation in this regard.

Offshore Industry

At the time of writing there have been a number of disputes on the North Sea in the oil industry notably at Total over work-life balance, (on-going); at Mariner over pay (settled), Total Oil & Gas on Shetland (settled) and with the Offshore Contractors Association on the national agreement. The Piper Alpha Memorial Conference was a great success attended by all off shore union from the UK, Norway and Denmark and focussing on worker engagement and health and safety.

Shipbuilding Campaign

Unite is working closely with Confederation of Shipbuilding and Engineering Unions on the issue of the building of three FFS Frigates which has been in the headlines recently.

A successful Lobby of Parliament led by the CSEU has taken place and at the time of writing, the Government intends to put out to tender contracts for the production of the Frigates. We are building pressure on the Government to ensure the order is placed with UK shipyards. The Labour Party have said the three Frigates should be built in UK shipyards using UK produced steel and UK's technology. For the Tories to do anything less would be a betrayal of the UK shipbuilding industry and a clear abandonment of any pretence of UK industrial strategy.

Labour Party Industrial Strategy

Jeremy Corbyn's speech on manufacturing to the EEF was welcomed by Unite, the General Secretary and AGS, as a positive step forward. The Leader of the Labour Party has expressed full support for UK manufacturing industry including cars, aerospace and shipbuilding, engineering, science and in he mentioned the



production of UK passports going outside of the UK. He also covered important issues such as skills, productivity, training, education and apprenticeships and other issues that have been fed in by Unite's manufacturing strategy.

We are continuing to liaise with the Labour Party on all matters related to industrial strategy and Unite will be holding a "Manufacturing Matters" Fringe Meeting at the Labour Party Conference on this issue.

The Unite Manufacturing Sectors Combine is due to meet in October with a full agenda which will set out the work of the Combine over the next period which will include such issues as Brexit, Automation, Work-Life Balance (with input from IG Metall) and skills.

TRANSPORT & FOOD SECTOR REPORT

1. BUILDING UNITE IN TRANSPORT & FOOD

There have been a number of important developments taking forward our commitment to build Unite in transport and food :

a. Unite recognition and collective bargaining agreement with Ryanair agreement signed on 8 June 2018 – historic moment for the company that said hell would freeze over before they would recognise a trade union. The signing of the agreement by the General Secretary led to strong Unite media coverage which is available as a separate report. Reps are now elected, and organising is moving forward well across all sites. There is a forthcoming open day in Stansted, important links have been established with Unite cabin crew membership who are providing positive support, and Unite continues to play its part in the ITF/ETF Ryanair campaign.

b. Unite recognition and collective bargaining agreement with Crewlink, the largest agency that recruits for Ryanair, signed on 5 July 2018 following an initial meeting involving the AGS and National Officer in Dublin on 11 June. Reps are now elected, and organising is developing alongside the Ryanair campaigning. Additionally, links are already being established with the other agency that recruits for Ryanair, Workforce International, where Unite also has membership, and this will be the next target for recognition alongside Ryanair itself and Crewlink. The National Officer is now arranging a meeting with Regional Officers for Ryanair membership and looking to extend the campaign to the other low-fare company that is undercutting in the sector – Jet 2.



c. TNT Fedex merger talks are leading to important recognition and organising developments.

d. Two Sisters Food group in addition to the chicken processing part of the business, 2Sfg is connected to a large number of food and hospitality companies, where Unite is the recognised union and/or where we are organising members. In conjunction with the important mapping provided by the Organising and Leverage department, Sue Pollard acting FDA National Officer is planning the next steps to build our organisation, including re-establishing the Two Sisters combine. This is taking place alongside the developments in individual sites, as reported previously, including closure of the Cambuslang site in Scotland, the closure and negotiated changes in the West Midlands sites; as well as raising with the company the issue of a national agreement.

e. Toll Group – ITF following the signing of an agreement with the ITF, there have been initial discussions over their plans to develop as a company committed to recognizing trade unions, in the UK and across Europe in freight, shipping and transport.

f. ETF and Fair Transport 2.0 Important achievements on EU Mobility Package and tackling the ‘race to the bottom’

g. Froneri (Nestle) - IUF and ETI following involvement of the IUF and ETI, the opportunity is now being taken to approach the company for access, organisation and recognition, and action is being organised on the ground.

2. BREXIT and AUTOMATION – TRANSPORT AND FOOD SECTORS

At a helpful and constructive meeting with Kier Starmer, arranged with Unite for 25 June, it was raised the serious Brexit concerns being faced by each of the four transport sectors and the food, drink & agriculture sector. He welcomed the approach and confirmed that he will ensure the points are included – he requested any updates as they arise.

Key Brexit and Automation for Transport and FDA were raised at Unite Policy Conference and in the recent National Officers and AGS meeting. Both remain priorities at all NISC meetings and in negotiations in terms of ensuring our members are recognized and their voices heard.

In Passenger Transport in particular, the current driving distance regulations under EU and UK law have been raised in the past by Tom Cashman former EC delegate



from the sector, and from the SE region. I was invited to meet with delegates from the SE Region Passenger sector, to follow up on issues raised at the Regional sector conference held earlier in the year about abuse of the 50K driving limit, Brexit implications, and the cab being recognised as a place of work, which they are concerned to raise again both in the region and nationally.

3. POLICY CONFERENCE – TRANSPORT & FOOD SECTORS

Unite Transport & Food sector delegates at Policy Conference raised important issues and made powerful and constructive contributions. There was support and encouragement for less experienced delegates, and links were extended industrially which will strengthen our union.

4. FOOD & DRINK MANUFACTURING – INDUSTRIAL STRATEGY

Following the important meeting Unite participated in which was led by Rebecca Long-

Bailey Shadow BEIS Secretary, and having met a number of the key players in the sector, there have been a number of follow-up food and drink industrial opportunities where Unite is now at the table. Specifically :

a. Food & Drink Federation AGM “Shaping the Future of Food & Drink” Strategy help us to build an industry fit for the future?”

b. Food & Drink Sector Council Workforce and Skills Workstream – Consultative Group the AGS has been invited as the union leadership voice to participate in this group on

Workforce : developing skills & labour”, which has now started, and will complete in a few months. The group is described as : “high level industry leadership to ensure a coherent voice from across the food and drink supply chain to influence government policy direction.” The group is chaired by Fiona Kendrick, “Chairman” of Nestle UK & Ireland. The workstream group’s activities in relation to workforce and skills focuses on strategic workforce skills planning and related research, including FDA skill shortage report, scenario planning and the food and drink supply chain in relation to Brexit, and projected increase in value of food and drink “through adopting digital strategies to grow productivity and create higher skilled jobs”; and there are 3 task and finish groups looking at standards across the sector, on : apprenticeships, image of the food sector, workforce upskilling. The group includes the full supply chain, including logistics and hospitality.

5. UNITE IN TRANSPORT – LABOUR SHADOW TRANSPORT OFFICE – HEATHROW

Key campaigning issues with the Labour Shadow Transport Office have been Brexit and automation, together with bus franchising and protection of rights on transfer,



and sustainable integrated transport. A message of thanks was sent to Labour shadow members who supported the union's approach, which was widely welcomed.

6. RAIL MANUFACTURING INDUSTRIAL STRATEGY - RAIL SECTOR DEAL

There was a meeting at the TUC to discuss the Rail Sector Deal with Paul Plummer Chief Executive of the Rail Delivery Group, and Paul Nowak TUC Deputy General Secretary. The sector deal is focusing on "the Digital Railway", and involving both the Rail Delivery Group RDG and the Rail Supply Group RSG, and meetings are being planned on the sector deal to ensure the Digital Railway Team meets with all rail unions.

7. INTER UNION

A number of outstanding issues remain and are being addressed, but pleased to report that a difficult inter-union issue between Unite and BFAWU in Delifrance has been amicably resolved between our two unions.

8. LOW PAY COMMISSION

Unite provided oral evidence to the Low Pay Commission with Howard Reed Director of Landman Economics, who prepared powerful evidence in an independently-produced report for Unite on "The economic impact of increasing the National Minimum Wage and National Living Wage to £10 per hour", which shows that such an increase would benefit 9 million workers, 58% of them women, by just over £1,300 per year on average – much bigger percentage gains in the bottom 60% of households by income distribution than in the top 40%. 55% of workers aged 21-24 and 78% of workers aged 18-20 would benefit. The report estimates such a rise would benefit the public finances by around £5.6 billion. Our evidence had been prepared by Irina do Carmo, who also gave evidence, together with Rhys McCarthy National Officer Service Industries and Young Members, in relation to hospitality and young workers in particular.

POLITICAL REPORT

Parliamentary Report



Unite have maintained a strong Parliamentary presence before the Summer recess, we had a constant stream of activity in Parliament.

Heathrow

A major issue of importance for the union was the Parliamentary vote on the Policy Statement concerning the expansion of Heathrow Airport. Although there were issues in that Chris Grayling chose to ignore 23 out of the Transport Select Committee's 25 recommendations for the expansion, supporting Heathrow expansion has been a longstanding policy commitment for the union and it was our priority to not only ensure that it passed through parliament but also that members of the Unite Group of MPs supported this. Through our discussions with the Labour Party – given John McDonnell's personal opposition based on his constituency interest – we got agreement that there would be a free vote so that Labour MPs were not whipped to vote a certain way. The Labour Party were expecting around 30-40 MPs to vote in favour of expansion but due to our efforts, in the end 119 MPs voted in favour – a great achievement considering it was a free vote with a one line whip, taking place on a Monday, when MPs would usually use such votes as an opportunity for them to stay in their constituencies.

Extension of the National Living Wage to Young People

We also supported another campaign for our young members through a Private Member's Bill which was Holly Lynch's National Living Wage (Extension to Young People) Bill to end the age differentials in the Government's new National Living Wage. We ran a campaign on this with our National and Regional Young Members' Committees. We also had a photo opp with young members who came to parliament in support of the campaign and coordinated activity around this with young member delegates at our Policy Conference who met Jeremy Corbyn and Ian Lavery for a photo opp there.

Shipbuilding

We also held a meeting for the Unite Group of MPs promoting our Defend our Spend campaign promoting investment in defence. We held this in conjunction with the Confederation of Shipbuilding and Engineering Unions (CSEU). Lots of MPs joined us for this event and we even teamed it with a trip on the Parliamentary terrace to see the flyover to commemorate 100 years of the RAF.

We've also furthered this campaign through the Labour Party's own flagship summer campaign "Build it in Britain".

Brexit

Web Site: www.unitealliance.org

Email: info@unitealliance.org



Brexit has continued to dominate the parliamentary agenda with the government even facing its first defeat in the House of Commons on amendment to the Customs and Trade Bill promoting continued membership of the European Medicines Agency (EMA). Unite has also been pushing its own agenda on Brexit with a big photo stunt featuring members of the Unite Group of MPs alongside reps and conveners from across the automotive and manufacturing sectors with our General Secretary Len McCluskey urging the government not to “play roulette” with our members’ jobs.

Civil Liabilities Bill

The Civil Liabilities Bill came to Parliament and we have been working with legal and Thompsons to try to amend it with the Labour Party Frontbench in the House of Lords. We also liaised with Richard Burgon’s office about the best measures to try to amend the legislation – through amendments and also other instruments – as well as conducting lobbying of key MPs. Unfortunately we were unsuccessful in pushing these changes through primarily due to procedural reasons. The main issue we have with the legislation is the implication of the capping of the small claims limit. As the details of this are not outlined in the primary legislation any references we tried to shoehorn in the legislation to oppose these changes were ruled out of scope. Unfortunately, those changes will now be pushed through in secondary legislation with limited parliamentary scrutiny – although we have also been working with the Comms department to ensure the spotlight is on the government’s actions and there is a public awareness of the changes as well as the lack of parliamentary oversight of them.

Other Issues

We have continued to use Parliamentary mechanisms to raise awareness of our campaigns including TGI Friday’s tips and wider hospitality issues, Carillion collapse and the lack of protections for apprentices, HSBC Pension Clawback, the Dossier of Disgrace around cuts to British Sign Language Interpreters, uncertainty in the automotive industry, work around the Civil Liability Bill and on cuts to mental health services.

Policy Conference

At Policy Conference we held three fringe meetings; two workshops on the Political Fund giving members the expertise to encourage colleagues to sign up to it, and one which was a taster for our Future Candidates Programme.



Democracy Review

- After the last EC the Unite Democracy Review submission was made in line with the EC discussion. Following this the department has continued discussion with the party, other unions and other relevant organisations. The draft report was put to the Labour NEC in July and at time of writing this was being assessed and discussions will continue to the run-up to the Labour NEC meeting in September with the expectation that rule changes will go to Labour Annual Conference in 2018.
- The department has been working with the Wales RPO on the Wales Democracy Review and attended the Wales Labour Party Liaison Committee for the discussion on the Wales Democracy Review.

Labour party conferences and positions

- Since the last EC the agreed Unite candidates have been nominated and candidate statements submitted. These positions are due for election at Labour conference.

The Unite motion to Labour Women's Conference has been submitted (copied below) – at the time of writing there was about to be a prioritisation ballot which will have completed by the EC. This process, and the compositing process, is new this year as it is the first time Labour Women's Conference has had policy making ability.

BREAD AND ROSES: WOMEN ORGANISING FOR EQUALITY

Conference notes women are the majority of those in poverty, nearly two thirds of those earning below the real Living Wage, continue to be paid less than men and have borne 86% of 'austerity' cuts. Women are the majority on zero hours contracts and in insecure work, widespread in sectors where women predominate, such as care, retail and hospitality. Insecurity places them at greater risk of sexual and other forms of harassment, violence and abuse.

Conference pays tribute to women at the forefront of progress throughout history, from our rallying cry for "bread and roses" for women to live, not simply exist, to the matchwomen, chainmakers, Ford Dagenham and Halewood machinists, Trico and Grunwick strikers, to challenging everyday sexism – women organising collectively have won for us all. We need to continue to organise for equality for all women.



Conference welcomes Labour's economic, industrial and equality policies to invest and transform our economy, recognising that creating good jobs for all involves tackling women's occupational segregation, including BAME women specifically, increasing women's economic participation and autonomy with access to childcare and rebuilding our public services.

Conference believes Labour should introduce mandatory equal pay audits, the duty to prevent sexual and other harassment including third party, and enact Equality Act 2010 Section 1 duty on socioeconomic inequality alongside repealing the Trade Union Act, statutory rights for union equality reps, extending trade union rights to access workplaces, organise and sectoral collective bargaining - re-balancing workplace power, increasing security and fairer wealth distribution across society.

Policy

- The department has continued to feed in and support development of Labour policy in line with Unite priorities, including on electric vehicles, public ownership, corporate governance and other topics. This has also involved the co-ordination of, editing and completing the Unite submissions to the eight National Policy Forum commissions.
- The department also provided support at the Unite Policy Conference.

Additionally

- The department played a role in the large demonstration against Donald Trump's visit to Britain.
- The Department are working with the RPOs to identify CLPs where we will introduce CDPs later in the year.
- We are rolling out recruitment of Labour Party members to Unite.
- We are drawing up a new draft of the Political Strategy for the consideration of the Executive Council.

UNITE Brexit Coordination Team Report

1. Key Brexit developments since the last Executive Council



Since the last Executive Council the key points to note in relation to Brexit are:

- **UNITE Brexit position updated at July 2018 Policy Conference:** The UNITE 2018 Policy Conference took place in July with an extensive and far reaching debate on Brexit. The EC statement that was carried (reproduced in Appendix 1 below) built on and developed the existing UNITE policy in relation to Brexit while giving the Executive Council the responsibility of deciding the appropriate course of action should a crisis situation arise. In particular the statement:
 - **Reiterated** the red lines for UNITE in any Brexit deal – including protecting rights and jobs, frictionless access to the single market and a customs union, rights of EU nationals, continued membership of key regulatory organisations, no undermining of the Good Friday Agreement and protection of the rights of Gibraltar and Spanish workers’;
 - **Committed** UNITE to mobilise against any deal that does not fulfil the red lines that UNITE and the wider labour movement have set in relation to any proposed deal;
 - **Prioritised** the calling of a general election to resolve any Brexit crisis but gave the EC the authority to support the call for a popular vote should it deem political circumstances warrant it;
- **Looming deadline for deal or no-deal:** The European Commission and the UK government will have to shortly decide – within the next few weeks - whether or not they can actually come to a deal. If they do manage to arrive at an agreement that deal will then have to come before the UK parliament for approval. The deadline for coming to an agreement is currently mid-October, although some reports suggest that it may still be possible as late as December. For UNITE’s part the EC statement carried at the 2018 Policy Conference made it very clear that should a deal be made between the EU and the UK under current proposals, it would fall well, well short of the 6 tests that the Labour Party has set and the five that the TUC have set. UNITE must therefore be ready to lobby MPs to oppose a deal in parliament should one be reached.
- **The UK government proposal and resignations:** The UK government set out its formal proposal for the nature of the relationship with the EU, the key points of the proposal were:



- Tariff free and frictionless trade in goods – important for manufacturing but excludes the 80 of the UK economy that is not in the manufacturing sector;
- A Facilitated Customs Arrangement – where the UK would collect and pass on EU tariffs and visa-versa where appropriate;
- Role for the European Court of Justice in UK/EU disputes but no jurisdiction over the UK;
- An offer to give settled status to EU nationals in the UK once Brexit has legally taken place;

The proposal marked a breaking point for Brexit Minister David Davies and Foreign Secretary Boris Johnson, both of whom resigned in response to the proposed arrangement. From a UNITE perspective the deal falls well short of the union's key demands, particularly in relation to frictionless access to the single market (80% of the UK economy is not covered in this proposal), protecting jobs, and rights and living standards;

- **EU reaction to the proposal:** Although the EU welcomed the fact that there was now at very least a concrete offer to discuss, the actual content of the proposal was greeted with a good deal of scepticism and effectively dismissed. In particular the issues around the proposed custom's system and the outstanding problem of the Irish border figured prominently in the critiques offered by EU officials. The continued refusal of the UK government to accept the EU's proposed 'backstop' solution to the Irish situation – in which Northern Ireland would remain in the Custom's Union and Single Market in the event of no deal being reached – still remains a massive stumbling block. Furthermore the attempts of the UK government over the summer to speak to individual Heads of Government in order to increase pressure on the Commission to accept the proposal appear to have produced no results whatsoever, and, if anything, have yet again underscored the weakness of the UK position.
- **EU Withdrawal Bill now law:** Although attention is rightly focused upon the issue of whether or not there will be an EU-UK agreement, and indeed on whether it will subsequently be approved by the UK parliament, it is extremely important to not lose sight of the fact that the EU Withdrawal Bill is now on the statute books and ultimately passed virtually un-amended from the governments initial proposals. Most importantly for UNITE the legislation still contains the so-called Henry VIII powers that will give ministers the



power to change and delete EU legislation deemed not necessary without recourse to parliament. Social and employment legislation is considered extremely vulnerable in this respect.

2. UNITE political input:

UNITE has continued to have a strong political input in its attempts to shape the Brexit process;

- **Lobbying on EU Withdrawal Bill and other key pieces of Brexit legislation:** Following extensive consultations UNITE issued a briefing note to all those in its MPs group concerning the position of the union in relation to key votes on the EU Withdrawal and the Custom's and Trade Bill. Although the threatened Tory rebellions never actually materialised on the Withdrawal Bill, in the case of the Customs Bill a crucial amendment that would have effectively kept the UK in the Custom's Union was defeated due to the disgraceful situation in which 4 Labour MPs – Kate Hoey, Frank Field, John Mann and Graham Stringer – voted with the government enabling the government to save the day and avoid an embarrassing and political dangerous defeat.
- **UNITE Regional Brexit Conferences:** As previously reported the planned regional conferences have now all been concluded with very good participation and a high level of interest. Some regions are requesting follow up conferences and the possibility of a second round of conferences or other suitable regional events is being examined.
- **Gibraltar:** Following the very successful Brexit conference in Gibraltar a delegation of UNITE activists from Gibraltar visited the UNITE Irish region in order to better understand how the border issue was being dealt with there. A further meeting of the Inter-regional trade union group that brings together the Spanish unions and UNITE is planned for 9th October. UNITE also issued a strong press release in reaction to the border incident that occurred during August in which far right groups launched an aggressive demonstration at the border – allegedly in support of Spanish police pay – and physically attacked a member of the public.

3. UNITE industrial input:

Dealing with Brexit as an industrial issue was identified as a key matter and important actions and issues in this respect have continued:

- **Preparations for UNITE reps & activists in the event of a 'no-deal' Brexit:** Given the significantly increased possibility of a 'no-deal' Brexit a significant



amount of work has been undertaken in order to prepare and equip our reps for the scenario. Concerning an industrial response leaflets have been prepared to advise reps of the issues to look out for while also providing a draft Brexit agreement through which reps can aim to get commitments from their companies on the maintenance of EU employment and social protections. Leaflets have also been prepared for EU citizens with details of how they are affected and a hotline number where they can seek advice. A 'no-deal' special webpage with vital information has been created and is ready to go live should the situation so require;

- **Meetings with companies and employers' organisations:** As per previous reports meetings between UNITE and various employers' organisations have continued to take place in order to keep each other informed about the progress of Brexit as well as, where possible, to combine lobbying and political pressure. Similarly where reps have managed to make inroads into opening up company Brexit contingency planning meetings have continued to take place between reps and management, for example in GSK, BMW, Princess Food, Leonardo and IAG.
- **Sister unions and European federations:** UNITE has continued to make our strategy and approach clear to sister unions, both directly in bilateral meetings and also within the structures of the European and international federations.
- **Final Brexit check survey results:** Following an extensive period of gathering questionnaires and conducting interviews with reps and activists about how Brexit is being experienced in the workplace, an interim report has now been produced and a full report will follow shortly. The main findings confirm that Brexit is having a very negative impact on pay and investments, but also shows that where reps have been prepared to rebuff attacks – such as attempts to remove them from EWCs, good outcomes have ensued;

4. Documents and Communications:

- **Documents:** As previously reported there are now some 17 of 21 UNITE sectors with specific documents related to Brexit and how it affects their sector, and a further 4 specialist documents covering Ireland, Gibraltar, and the manufacturing and services sectors as a whole. Five new jargon busters leaflets have also been produced since the last EC meeting;
- **Website:** The UNITE Brexit check website continues to be updated regularly and is functioning well in providing relevant information to activists and



members as well as key news items. This communications tool will become increasingly important as the process of Brexit enters its critical phase in the coming months. A twitter account has also been set up in association with the Brexit Check website. UNITE is the only union to have established a dedicated website to deal with the issue;

5. Next Steps

Although until now the Brexit process has proved to be highly volatile and unpredictable, it does seem highly likely that a moment of reckoning has arrived. In this respect there are a number of key areas that UNITE needs to focus on during the coming weeks:

- **Mobilising to oppose the deal:** Assuming some form of EU-UK deal is made and that this will be presented to the UK parliament during the course of October 2018, it is essential that UNITE is ready and prepared to mobilise and pressure all MPs to vote against the deal. It is already crystal clear that the UK government's proposal is completely incompatible with UNITE's position and therefore every effort must be made to apply maximum pressure on all MPs – regardless of party – to vote against the deal;
- **Inputting at the TUC and Labour Party conferences:** Vital debates on Brexit will take place at this year's TUC and Labour Party conference. UNITE will make sure that its voice is heard in these critical debates and seek to make sure that the wider labour movement also engages fully to make sure that jobs and workers' rights are protected in any emerging scenario;
- **Continuing preparations for a 'no-deal' scenario:** At the same time as preparing the mobilisation to vote down the deal in parliament, UNITE will also continue to take any and all measures possible to assist reps and activists to cope in a 'no-deal' scenario.
- **Brexit discussions at NISC meetings:** In order to make sure all NISCs are as fully informed and prepared as possible the issue will be an item on all NISC agendas for October 2018. Particular emphasis will be on the likely impact on the sector in the event of a no-deal situation as well as likely developments should any deal be reached;
- **Working with sister unions and political allies in Europe:** UNITE will continue to work with sister unions and allied political parties as the critical moment arrives and make sure the message of the UK trade union and labour movement is heard in the process. Inputs will be made in all of the European



and international federations as well as more formally to the European political structures and institutions;

- **Continue to be active at the wider international level:** With the Brexit process unfolding and international trade generally becoming a more critical and difficult issue, UNITE will continue to be very active in the wider international arena to make sure that UNITE members and the wider UK labour movement is not disadvantaged in any new international order that may emerge;

Appendix 1: EC Statement on Brexit – UNITE Policy Conference 2018:

Unite policy agreed by the union's 2016 policy conference made it clear that our union accepts the result of the 2016 referendum on membership of the European Union. It also set out our union's priorities for dealing with the process of Brexit, which included protecting jobs, defending employment rights, and opposing the racist backlash that the referendum campaign unleashed. It also highlighted many potential dangers that a Tory led Brexit could bring.

Since that time our perspective has been vindicated. Riven by internal divisions the Conservative government lacks the political capital, the coherence of ideas or the basic competency to deliver a Brexit which answers the problems the referendum result exposed or to deal with the economic consequences.

Unite has been at the forefront of the UK labour movement in facing up to and addressing the challenges that the Brexit vote presented. This has included extensive political lobbying in the UK, Brussels and other European countries, detailed analysis of the impact of different scenarios, the publication of workplace and online material to give voice to our members' interests, securing new collective agreements with employers, and hosting Brexit conferences for reps in every region of our union.

In line with the principles identified in our 2016 policy conference Unite remains clear that any Brexit deal must:

- Deliver barrier-free access to the Single Market to ensure ongoing exchange of the goods and services which thousands of our members' jobs rely on;
- Secure a customs union with the European Union



- Enshrine and enhance working rights, social and environmental protections which are currently based in EU law. These must be transferred into UK law through primary legislation, open and democratically.
- Not undermine the Good Friday Agreement or the economic integrity of the island of Ireland. There must be no hard border between the Republic and the north.
- Protect the integrity of Gibraltar and the right for Gibraltarians to determine their own future.
- Grant the immediate and guaranteed right to remain for European citizens in the UK and their dependents and secure the rights of UK citizens working in other EU countries.
- Retain membership of beneficial European-level institutions or regulatory bodies which are vital to our industrial sectors such as the European Aviation Safety Agency (EASA), ECHA (REACH) and Euratom

The current Tory government's abysmal handling of the process has made the prospect of a cliff-edge, no deal, Brexit a genuine possibility.

From manufacturing to finance, services and transport, a cliff-edge Brexit would jeopardise the livelihood of millions of working people and must be avoided at all costs. Unite has lobbied for and welcomed amendments to the Withdrawal Bill which secured a meaningful vote for Parliament to avoid this outcome, and will continue to work for such a process.

However, it remains highly unlikely that the final EU-UK Brexit deal due to come to parliament in the autumn 2018 will satisfy the criteria that Unite and the wider labour movement, including the Labour front bench with its six tests which must be met, have set.

At such a moment Unite will mobilise against the deal. Our priority will be to force an early general election which can lead to the election of a Labour government which would, among other things, reach a better deal with the European Union and improved relations with Europe all round. We are also open to the possibility of a popular vote being held on any deal, depending on political circumstances. Within these principles, the Executive Council has authority to respond as it thinks best to a fast-changing political situation.



Unite acknowledges the concerns regarding the impact which freedom of movement for EU nationals has had on parts of the labour market and some communities, factors which contributed to the referendum vote. Any post-Brexit settlement must consider freedom of movement, which will formally end when the UK is no longer covered by European treaties. Any replacement migration system should focus on comprehensive labour market regulation, addressing the abuse of agency labour and stopping the “race to the bottom” in pay and conditions. Any UK employer wishing to recruit labour abroad should only be able to do so if those workers are covered by a genuine trade union agreement or by sectoral collective bargaining when they arrive in the UK.

Finally, both the cause and consequences of Brexit must be understood in their international context. Working people across Europe and the wider world have endured the decade-long failure of the elites and old political parties to deal with the fallout of the 2008 financial crisis, a failure in which the institutions of the European Union were often complicit.

The resulting alienation, deprivation and discontent has led to the re-emergence of nationalism as a potent political force, most recently seen in the electoral triumphs of Donald Trump in the US and neo-fascist parties in Austria, Italy and Turkey

The global trade union movement must respond to these historic challenges by renewing our fundamental principle of internationalism, while offering working people a genuine route for taking control of their own lives, in the workplace and beyond.

Unite will always reject malign and reactionary right-wing nationalism. We will resist any attempts to divide us. Instead we must recommit ourselves to this eternal truth: we are internationalists or we are nothing.

International Report

UNITE Policy Conference: UNITE welcomed a strong delegation of international guests from our sister unions and federations. Feedback from the guests was extremely positive on the level of debate especially on Brexit and the organisation of the conference. Many guests had side meetings with reps and officials from relevant



sectors and also took part in fringes and staff and members of the International Committee also took part in various solidarity fringes.

Solidarity Work

Palestine: Solidarity with the Palestinians is currently under immense pressure due to the ongoing dispute over alleged antisemitism in the Labour Party. The argument concerning disciplinary cases and the definition of antisemitism is without doubt having an impact on the ability of the Palestinian solidarity movement to consolidate and build on the huge progress that has been made in the BDS campaign in recent years. In this respect UNITE has, in addition to the regular support for Palestinian solidarity work, been liaising and working closely with a number of unions and other groups to explore the possibility of establishing a new network and social media platform that may be called Labour & Palestine. The aim would be to provide a credible and well organised resource and information point within the Labour Party that would galvanize the Palestinian solidarity work within the Labour Party. It is hoped that a fringe meeting to discuss the initiative further will be held at this year's conference.

On a less positive note the EC should be aware that last year a key victory was won for the Boycott, Divestment and Sanctions (BDS) movement at the High Court, which threw out regulations designed to stop Local councils from divesting their pension funds from companies supporting Israel's illegal occupation. However, in June, the Court of Appeal overturned the High Court decision, threatening the right of pension holders to make ethical decisions about how their money is invested.

Turkey/Kurds/Rojava/Iraq: Since the last EC UNITE has continued to develop its solidarity work with the Kurdish political movement and all progressive forces in Turkey and the wider region. The international theme of the Durham Miners Gala



this year was 'Freedom for Ocalan' which brought visibility of the campaign and the issue to a much greater and wider number of activists until hitherto. UNITE EC member Tommy Murphy travelled to Turkey with the Kurdish Solidarity Campaign to observe a trial during June while the UNITE policy conference hosted an excellent fringe meeting and passed an emergency motion on the issue. The situation in Turkey continues to deteriorate further with more mass arrests and dismissals and Erdogan centralising power ever further. However, despite the repression and imprisonment of its leadership the HDP party still managed to surpass the 10% hurdle and maintain its parliamentary position and visibility.

Colombia: The political situation in Colombia remains extremely volatile following the election of the new hard right leader Iván Duque. Duque is widely seen as fully under the influence of former far right leader Alvaro Uribe and was an opponent of the peace process. He has pledged to change key elements of the peace deal with including in the critical area of transitional justice. However, it is also important to note that Colombia's presidential election also saw a strong performance by Gustavo Petro, who became the first ever left-wing candidate to reach the second round of a presidential election and took 40% of the vote. His campaign focused on peace, social investment and environmental protection and Petro will now head the Colombian opposition in the congress.

A clear sign of the pressure the peace process is under is visible in the continued incarceration of FARC negotiator Jesus Santrich as well as the decision of senior FARC leader Ivan Marquez to not take up his seat in the Congress and to relocate from Bogota to a FARC transition zone. The ongoing and high number of assassinations of social activists, former FARC combatants and their families and many others still hang heavily over the situation.



As reported in the Workers Uniting section UNITE has continued with its important projects of support for Colombian trade unionists in the oil and agricultural sectors and continued to use its political pressure to press for proper implementation of the peace accords. A full report of the first peace monitoring delegation in which EC member Kate Osbourne took part in, is now available, and a full report of the recent visit to USO, Fensuagro and a FARC transition soon will be available shortly.

Cuba: Arturo Rodriguez, General Secretary of the Industrial Workers Union of Cuba and member of the CTC (TUC equivalent) executive attended UNITE Policy Conference in July 2018. He held several meetings with executive and staff at both regional and national level to discuss support for 2019 events to mark the 60th anniversary of the Cuban Revolution and 80th anniversary of the foundation of the CTC.

Brazil: No coup in Brazil initiative: The 'No Coup in Brazil' initiative continues to raise awareness throughout the labour movement and beyond of the attacks on democracy and social progress since the coup 2 years ago in Brazil, and campaign in support of Lula. A motion was passed at UNITE Policy Conference backing Lula and the work of No Coup in Brazil, which will include a rally in September to mark two years since the coup and a sessions at the Latin America Conference in December.

Finance Report

The year through to 30th June 2018, Unite recorded a surplus of £9.8 million. Netting off the one-off gain of £5.3 million on the sale of the former UCATT headquarters in Clapham, Unite achieved a surplus of £4.5 million in the first six months which is



satisfactory. The first benefits of not having to pay circa £1 million per month into the Unite Pension Scheme are now evident.

More specifically, Total Income amounted to £83.9 million in the 1st Half of 2018, down £3.3 million versus the same period a year ago. Contribution Income fell by £3.2 million in the 1st Half of 2018 versus 2017 reflecting the loss of membership during 2017 and Legal Income fell by £0.6 million.

Total Recurring Expenditure totalled £73.3 million in the 1st Half of 2018 which was £5.5 million lower than last year. This decrease was primarily due to: (1) a £2.4 million falloff in Employer Dispute costs as these costs fell to a more normal level versus last year's extraordinary activity; and (2) Political Grants &

Affiliations totalling only £1.4 million (down £3.2 million versus 2017) owing to the General Election in 2017. Partially offsetting these pluses, Property Costs rose by £0.9 million reflecting the impact of the increase in Business Rates and Irrecoverable VAT costs rose as our allowable recovery rate fell.

Employment Costs excluding Organising of £31.0 million were down £0.3 million versus 2017 despite the General Wage increase of 2.0% effective 1st January 2018 as employment numbers were reduced. Taken together, Employment Costs including Organising amounted to 40.7% of Income in the 1st Half of 2018 above last year's comparative figure of 40.0% reflecting the decline in Income (as opposed to any increase in Employment Costs).

As a consequence, Unite recorded a surplus before Investment Income and Non-Recurring Items of £10.6 million in the 1st Half of 2018 – an improvement of £2.2 million versus last year.

Investment Income amounted to £0.2 million in the 1st Half of 2018 – down £1.3 million versus last year owing to largely stagnant global stock markets. Non-Recurring Items (excluding Pension Deficit Reduction payments) amounted to a net income (as opposed to the usual net expenditure) of £3.4

million in the 1st Half of 2018 comprised principally of the gain on the sale of UCATT Clapham (sale price £10.5 million less book value of £5.2 million or a gain of £5.3 million) only partially offset by the write-off of VAT on property refurbishment (£1.0 million) and employee severance (£0.7 million).



Pension deficit recovery contributions totalled £4.4 million in the 1st Half of 2018 – down £1.9 million versus 2017 reflecting two months of savings (May and June) resulting from the latest valuation of the Unite Pension Scheme which has now been agreed with the Scheme Trustees.

Taking everything in account, Unite posted an overall surplus of £9.8 million for the 1st Half of 2018 – a result which was £8.1 million better than last year.

Liquid Assets

Unite's liquid assets totalled £158.7 million as at 30th June 2018 were up £17.7 million from year end 2017, mostly due to the sale of UCATT Clapham and a few smaller properties.

Proposed Changes to Enhanced Membership Benefits and Subscriptions

The Union annually reviews its Enhanced Membership benefits and finances. This involves participation by all 10 Regions, the Membership Department Head as well as some RLAC's along with Central Office. Given the very significant changes which were only introduced in September 2016 (for example a new Incapacity Higher Tier of £25 for 25 weeks and an increase in accidental death/total & permanent disability from £10,000 to £25,000) and are still bedding down, it was not expected that this year's review would lead to any major changes being proposed.

Following the June EC, a further review of Enhanced Benefits overall and of this proposal in particular were reviewed by a subgroup on the EC on 24th July. This review resulted in further changes to the proposal circulated to the June EC all of which were to make the proposal more favourable to Enhanced members.

Given the great success of the 2016 changes -- over two thirds of new members are joining as Enhanced members, benefit pay-outs have doubled but the extra subs paid by Enhanced Members continues to exceed benefit paid (as you decreed must be the case) – and the need to use the scheme to bolster retention, the following changes are proposed:



1. Maternity benefit to be changed from £15 for 10 weeks (£150 total benefit) to £10 for the full 39 week statutory maternity leave period (£390 in total). The current one week waiting period would be eliminated.
2. Top tier Incapacity benefit (to be renamed “Sickness Benefit” to avoid member confusion) to be changed from £25 for 25 weeks to £25 for 51 weeks and Lower Tier from £10 for 25 weeks to £10 for 51 weeks (meaning 52 weeks are covered including the one week waiting period). A minimum payment period of one week would be introduced meaning members could not claim unless they were off work for at least two weeks.
3. Following these extended benefit periods, Enhanced members who remain employed but without pay from their employer (often the case for members on maternity leave beyond 39 weeks or on long term sick leave) would be eligible to have all Unite contributions waived for up to three years (in three month increments) from the date the leave commenced upon production of evidence that they meet the above criteria. Note: Enhanced members taking unpaid carer/compassionate leave would also be eligible for this (up to three year maximum) but not those taking other unpaid leaves (for example, career breaks or sabbaticals).
4. Modifying the threshold (benefitting members) for eligibility for Reduced Income Benefit from a loss of 50% of Gross Taxable Pay to be also be eligible if they are only in receipt of SSP or SMP if that is higher of 50% of Gross Taxable Pay (currently low paid workers only in receipt of state mandated level benefits are commonly not eligible for Reduced Income Benefit as those benefits can exceed 50% of their former Gross Taxable Pay).
5. A doubling of funeral benefit for active Enhanced members.
6. The creation of a new category of (accidental) disability benefit – Temporary Total Disability. This would be paid after a year (during which the member can claim Incapacity/Sickness benefit) for Enhanced members who, as result of an accident, become totally disabled (unable to work at any occupation) and where the condition is expected to last for more than two years. It is proposed that the pay-out be set at £5,000.



7. Allow current Apprentice members to join Enhanced (currently they can only be Basic members) on a voluntary basis and to make Enhanced membership the default option for new apprentice members. Separately, clarify that only those apprentices paid below the full rate for the job are eligible to be apprentice members as opposed to New Hires who being categorised as apprentices just so companies can access the Apprentice levy.

8. During 2019, Unite's Education Department to place greater emphasis on training Branch Secretaries/Treasurers on Enhanced benefits and how they can benefit members.

This package has been fully costed and it is believed that all these very significant improvements could be afforded by increasing the Enhanced membership incremental subscription (versus Basic membership) from 25p to 30p per week. It is proposed that the benefit enhancements and subscriptions come into effect from 1st January 2019. It is believed that these changes will further improve membership retention, especially for members on maternity leave.

Finance Strategy -- 2018/19 Outlook – Members Subscriptions

Last year, the Executive Officers prioritised membership growth and recruitment in 2018 and, given the uncertainty of the success of that new strategy, recommended that the EC only take a one year forward view of the Union's finances. Given the strength of the Union's finances and the projections made at the time, it was judged that it was an acceptable risk not to increase subscriptions in 2018 and to wait and see whether the strategy for membership growth worked and to what extent.

While it is still relatively early days, it can be said that, while the strategy has not delivered growth in membership, it has slowed the rate of decline which is important in itself. Nevertheless, as seen above, Unite's Income is down £3.3 million in the first six months of 2018 versus 2017 (due to the membership lost in the 2nd half of 2017 which was still paying in the 1st half of 2017). That said, the Union's financial picture has been completely (positively) transformed by the recent news that the Unite Pension Scheme is no longer in deficit and the circa £1 million per month in deficit reduction contributions are consequently no longer required.



Taking a step back for a moment, it is worth re-stating Unite's financial strategy as agreed by EC in late 2014 in advance of the last general increase of membership subscriptions on 1st September 2015. (Although it should also be noted that Enhanced membership subscription rates were subsequently increased in September 2016 coupled with a very substantial increase in Enhanced membership benefits.) The principles of this strategy were:

- Unite must plan to generate a surplus inclusive of all items (normal non-recurring items as well as pension deficit reduction contributions) in each year.
- Unite's net asset base needs to be strong. A long-term target for the General Fund net assets was set at £250 million. In addition, it was recognised that a portion of these net assets should be held as liquid assets (cash or marketable securities) which could be realised quickly in an emergency. A long-term target of £100 million was established for liquid assets overall of which at least £50 million should be held as cash or cash deposits.
- Employment costs, including the National Organising Department, were targeted to be no more than 40% over time.
- Employer pension contributions in respect of future service to be limited to 16% of pensionable pay.
- Member contribution increases were to be applied annually and to relate to increases in average earnings/RPI.

Unite's adherence to the plan can be summarised as follows:

- Unite has achieved a surplus in every year since 2014.
- Unite's General Fund net assets amounted to £285.2 million as at year end 2017. Its liquid assets (as noted above) stood at £158.7 million as at 30th June 2018 of which £101.5 million was cash.
- Driven partially by the merger with UCATT and by declining Income, Unite's total employment costs are now slightly above the 40% benchmark at 40.7%.



- Unite's future service pension contributions have been confirmed at 16% of pensionable pay through to the next valuation in 2020.
- Excepting the increase in Enhanced subscriptions tied to member benefit improvements, membership contribution levels have been frozen since 1st September 2015 while average earnings and RPI will have increased by 8.5% and 10.0%, respectively, on a cumulative basis through to 31st December 2018. This implies that a membership subscription increase of 25-30p per week could by now be justified.

Incorporated into these projections is a proposal to increase the Dispute Benefit from £35 to £45 per day (from Day 1) but to limit or eliminate the ability of the General Secretary to approve payments above that level as this discretion has proven to be problematic in practice. Branches will be encouraged to build their own Dispute Funds to top up the member payments where seen as a priority or to cover other dispute outgoings.

In line with the Unite's financial strategy, the projections show a planned surplus of between £4.5 – 6.5 million under the two scenarios for membership. The projections assume a normal year for disputes (and the payment of Dispute Benefit) – substantially lower than 2017 but up on this year – and no General Election. You can see from the bottom line of the chart that the membership subscription increase (which will yield an estimated £6 million in Income) is necessary to prevent the plan from being in a loss position when membership declines and effectively at breakeven if paying membership were to hold stable.

Other items to note are the 27 extra Organisers that have been included in the National Organising Department (17 confirmed and 10 pending LM final approval) and Non-recurring items being somewhat higher than normal due to the increase in VAT write-off on property spend (largely the West Midlands Regional Office and Leeds), a normal year of severance costs and some start-up costs for the Birmingham hotel and conference centre. These latter – principally, hiring staff in advance of opening in order to effect training, marketing costs, depreciation, rates and utilities - - are still a bit unclear at this point.

Given the still uncertain outcome of Unite's membership growth initiative and, as shown above, the wide divergence in possible financial outcomes depending upon



what happens with membership, it is again sensible to only plan one year ahead. Once we have a clearer picture on the success of the membership growth initiative, we can revert to a three year financial plan (perhaps next year or with the election of the next EC).

For the record, as noted above, while it is proposed that most Basic membership rates would increase by 10p per week and most Enhanced membership rates by 15p, there are some exceptions. Specifically, membership contribution rates for former UCATT members would increase by 10p per week plus the amount stipulated in the amalgamation agreement to bring membership rates for former UCATT members up to Unite levels over five years, part-time rates would increase by 13p per week (in line with the phase out of the part time membership scale over five years) and the Special Discounted Rate (currently 50p per week which has not been increased since it was established in 2009) applying to Community, Retired and other categories would increase by 5p per week. It is proposed that an 8p increase be applied to the Low Pay scale. You will recall that this was originally set at £2.16 per week (two thirds of the full membership rate) but was launched at £2.00 per week as a special introductory offer. To date, there is no evidence that the Low Pay rate has been effective in attracting new members to Unite – the vast majority on it have been transferred down from the full rate. It is proposed that all these increases be effected from 1st January 2019.

Political / Equalities cont:

Unity over Division

Following policy conference where a motion calling for a coordinated trade union response to the rapid and dangerous growth of the far right and groups such as the *Football Lads Alliance*¹ a national campaign team has been formed. The team

¹ Since policy conference the *Football Lads Alliance* has merged into the *Democratic Football Lads Alliance*.



includes an officer or staff member from each region and a lead person from our education, equalities, communications and political departments.

We are working with other unions and have met with anti-racist/fascist organisations with the TUC to share and consolidate information on the aims, financing and organisations behind Stephen Yaxley Lennon and groups such as the EDL, Generation Identity and the DFLA.

With some 15,000 demonstrating in Central London recently and regional demonstrations commanding sizable numbers the focus on radical islam; acts of terrorism, grooming, religious fundermentalism is feeding off of genuine fears and concerns in communities and the impact of 10 years of austerity politics, 40 years of de-industrialisation and a toxic mix of diengagment with a political elite and growing sence of powerlessness. All culminating in a 'perfect storm' for right wing activism in the face of a political vacuum. All used by a growing international alt-right which is well funded, in power or with large political groupings in many countries and very happy to use fear and hopelessness in the most opportunist manner for their own ends.

The link to football is a growing threat with known 'firms' coming together with a common cause against the 'left' and taking their narrative of hatred and fear into what they believe to be fertile working class territory. We are aware of sizable activity in building intra-firm alliances at Arsenal, Aston Villa, Bolton, Burnley, Chelsea, Glasgow Rangers, Leicester, Manchester City and United, Millwall, Newcastle, Spurs, Stoke City, West Brom and West Ham. There will be others but the DFLA 'leadership' is largely taken from these 'firms'.

It's important that while we work with a broad range of campaigning groups and the established anti-rascist network, we develop a distinctly trade union voice and platform. The unite team are working to develop industrial, political and community elements to our campaigning work and will cover core areas of work such as:

- Active on the ground activity with football supporters clubs, fanzines and web-hosts



- Development of a political narrative and education amongst Unite representatives
- Confidence building and 'difficult discussion' training with officers and senior shop stewards
- Engagement within communities on the real objectives and motivations behind far-right groups alongside relationship building with communities directly effected by hate
- Broad and effective mobilisation when the far right take to the streets

Research is being pulled together looking into the structure and funding as well as activity and progress of the far right, helping to develop our narrative and underpin the campaign covering:

- Who's financing the right?
- Identifying international far right links.
- Exposing key activists/leaders and their political and criminal histories.
- Examining what they say in contrast to what they actually do and are linked to.
- Identify where they are organising to enable Unite to target key areas/workplaces

Educating our Officers, Shop Stewards and members – We are developing training to equip our frontline officers and representatives with counter arguments and the confidence to challenge and lead our strategy. Hope not Hate is supporting this work and their 'having difficult conversations' materials is being re-worked industrially and politically to form the basis of our confidence building training. Unite will also produce our own education materials and we will provide advice and training for members attending counter demonstrations to ensure our members and staff are safe.

Our messaging: As trade unionists we have to create an clear alternative to the narrative of the far right. We cannot do that by simply labelling those that attend demonstrations as far right, racist, fascist or Islamophobic. Many people are protesting against things they are genuinely concerned about simply labeling them will not 'win the argument.' The majority of football fans know there's no room for racism and bigotry in the game but that's not their motivation for joining a demonstration called by the DFLA against radical islam, terror, grooming or a loss of



belonging in society, similar fears drive many onto the streets with the EDL and other far right groups without solutions, simply soundbites and opportunistic comment. We have to recognise that and work on a narrative that recognises and addresses those concerns.

