

## Financial and Membership Information and Membership Register

*This chapter identifies changes in the membership levels, income and expenditure of both trade unions and employers' associations between the figures reported last year and those reported in the current reporting year. It also covers the jurisdiction of the Certification Officer to determine complaints about the maintenance of trade union membership registers.*

### Annual Returns received in 2016-2017

4.1 The information in this chapter is derived from the annual returns received during the reporting period. Statistical information is given at Appendices 4, 5, 6 and 9. That information and the following comments in this chapter relate to those unions whose annual returns were due, and received, in this office between 1 April 2016 and 31 March 2017. Unions and employers' associations must submit their annual returns to the Certification Office within five months of the end of their accounting year. This results in the information contained in my annual report being abstracted from annual returns which cover accounting periods ending between October 2015 and September 2016. However, the majority (72%) of returns are for unions or employers' associations with accounting periods ending 31 December 2015.

4.2 A total of 241 trade unions and employers' associations submitted returns for this period. These were made up as follows:

138	Listed trade unions
13	Scheduled trade unions
61	Listed employers' associations
29	Scheduled employers' associations

For the difference between listed and scheduled organisations see paragraph 1.7.

The number of unions and employers' associations which submit annual returns in any given reporting year is seldom the same as the number of unions and associations on the list as at the end of the reporting year. This is because organisations which have ceased to exist still have to submit an annual return and new organisations may not have to submit a return until the next reporting period.

### Trade unions: numbers and membership

4.3 Appendix 4 contains a summary of the statistics concerning the membership and finances of trade unions recorded in annual returns received during 2016-2017. Details are shown for the 13 trade unions with more than 100,000 members.

- 4.4 The statistics in Appendix 4 are based on returns from 151 listed and scheduled unions. This is nine less than reported in the Annual Report for 2015-2016.
- 4.5 The trade unions from which returns were received, recorded a total membership of 6,865,056. The 13 unions with a membership of over 100,000, accounted for 5,814,572 members or 84.7% of the total. Returns received in the period show the distribution of trade union membership by size is as follows:

***Trade unions: distribution by size***

<i>Number of Members</i>	<i>Number of Unions</i>	<i>Membership</i>	<i>Number of Unions</i>		<i>Membership of all Unions</i>	
			<i>Per cent</i>	<i>Cumulative Per cent</i>	<i>Per cent</i>	<i>Cumulative Per cent</i>
Under 100	25	571	16.5	16.5	0.0	0.0
100-499	24	5,989	15.9	32.4	0.1	0.1
500-999	14	9,275	9.3	41.7	0.1	0.2
1,000-2,499	26	39,674	17.2	58.9	0.6	0.8
2,500-4,999	9	34,803	6.0	64.9	0.5	1.3
5,000-9,999	11	84,599	7.3	72.2	1.2	2.6
10,000-14,999	3	37,125	2.0	74.2	0.5	3.1
15,000-24,999	10	201,087	6.6	80.8	2.9	6.0
25,000-49,999	13	444,032	8.6	89.4	6.5	12.5
50,000-99,999	3	193,329	2.0	91.4	2.8	15.3
100,000-249,999	6	975,556	4.0	95.4	14.2	29.5
250,000 and over	7	4,839,016	4.6	100.0	70.5	100.0
Total	151	6,865,056	100		100	

- 4.6 The trade union membership of 6,865,056 recorded in this annual report compares to 6,948,725 reported in the previous annual report. This indicates a decrease of 83,669 members or 1.2%. The total recorded membership of around 6.9 million compares with a peak of 13.2 million in 1979, a fall of about 48%.
- 4.7 The following table shows the trade unions whose membership has increased or decreased by 10,000 members or more since the previous reporting period.

**Trade Union: Changes in Membership over 10,000 members**

	<i>Total Membership</i>		
	<i>2015-2016</i>	<i>2014-2015</i>	<i>% changes</i>
<b><i>Increases</i></b>			
British Medical Association	169,908	154,603	+9.90
Association of Teachers and Lecturers	200,631	189,479	+5.89
Royal College of Nursing	444,685	429,414	+3.43
<b><i>Decreases</i></b>			
Union of Construction, Allied Trades and Technicians	47,433	61,229	-22.53
Public and Commercial Services Union	195,091	231,323	-15.66
Unite the Union	1,382,126	1,405,838	-1.69
UNISON: The Public Service Union	1,255,653	1,270,248	-1.15

4.8 The annual returns submitted by unions to the Certification Officer require each union to provide figures for both total membership and members who pay contributions. There can be significant differences between these figures. This is usually the result of total membership figures including retired and unemployed members, members on long term sick and maternity/child care leave and those on career breaks. The returns submitted by unions during this reporting period show that the total number of contributing members was around 94.2% of the total number of members. This compared to 91.7% in the preceding year.

**Membership register**

4.9 A trade union has a duty to maintain a register of the names and addresses of its members and a duty, so far as reasonably practicable, to ensure that entries in the register are accurate and kept up-to-date. The 1992 Act provides that a trade union should allow any member on request, with reasonable notice, to ascertain from the register, free of charge, whether there is an entry on it relating to him or her. An application that a trade union has failed to comply with the requirements of section 24 of the 1992 Act can be made to either the Certification Officer or the court.

4.10 The Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act 2014 introduced new provisions relating to the membership register of trade unions. The new provisions, incorporated into section 24 of the 1992 Act, impose a requirement on trade unions to submit to the Certification Officer annually a Membership Audit Certificate at the same as the union's annual return. The new provisions also provide further powers to the Certification Officer to

investigate concerns that the provisions of section 24 are not being or have not been complied with by a trade union. These powers came into force on 1 June 2016.

### **Membership Audit Certificate**

- 4.11 Where trade union membership exceeds 10,000, the union is required by section 24ZB to appoint a qualified independent person to be an assurer. None of the following may act as an assurer (a) an officer or employee of the trade union or of any of its branches or sections; (b) a person who is a partner of, or in the employment of, or who employs, such an officer or employee.
- 4.12 The assurer is required to provide to the union a membership audit certificate (“the certificate”) in relation to the relevant reporting period this must be sent at the same time as it sends to the Certification Officer its annual return.
- 4.13 The certificate must state the name of, and be signed by, the assurer. The certificate must state whether, in the assurer’s opinion, the trade union’s system for compiling and maintaining the register of the names and addresses of its members was satisfactory for the purposes of complying with the union’s duties under section 24(1) throughout the reporting period; and whether, in the assurer’s opinion, the assurer has obtained the information and explanations which the assurer considers necessary for the performance of the assurer’s functions.
- 4.14 If the certificate states that in the assurer’s opinion, the trade union’s system for compiling and maintaining the register was not satisfactory for the purposes of complying with the union’s duties under section 24(1) throughout the reporting period; or in the assurer’s opinion, they had failed to obtain the information and explanations which they considered necessary for the performance of their functions, the certificate must state their reasons for making that statement. In the case of a failure to obtain information or explanations, the certificate must also provide a description of the information or explanations requested or required which have not been obtained; and state whether the assurer required that information or those explanations from the union’s officers, or officers of any of its branches or sections.
- 4.15 Where trade union membership is less than 10,000. The membership audit certificate must be completed by an authorised officer of the union who must state his or her name and whether, to the best of that officer’s knowledge and belief, the union has complied with the section 24 duty throughout the reporting period.
- 4.16 In this reporting year 22 membership audit certificates were due and all of these were received. No circumstances arose leading the Certification Officer to use his investigatory powers under section 24 of the 1992 Act.
- 4.17 During the period 1 April 2016 to 31 March 2017, the Certification Officer received one new complaint that a trade union, UCATT, had breached section 24 of the 1992 Act, (*Brough v UCATT (No2) (D/12/16-17)*). The Certification Officer upheld the complaint but did not make an order.

## **Finance**

4.18 A new financial reporting standard took effect for the report reported on the the returns received in 2016-17. The standard, FRS 102, makes significant changes to how investments and other accounts are expressed. One result of this is the returns received during this period show unusually wide differences between the previous years' closing position and the starting position of the new year. Organisations were advised to include 'transition statements' with their returns to aid understanding of the accounts.

## **Trade unions**

4.19 Trade union income derives mainly from membership subscriptions and income from investments. There may also be additional income and/or assets arising if, for example, a union accepts the transfer of engagements of another union. The figures given at Appendix 4 include both general and other funds where applicable, e.g. contingency, superannuation and political funds. Additionally, political funds are shown separately in Appendix 9.

4.20 From the returns received during this reporting period, the gross income of trade unions was £1,286.48 million, an increase of 4.77% on that recorded by unions in the previous year. Income from members rose by 0.63% to £912.46 million. Income from investments rose by 8.3% and income from other sources rose by 17.6%.

4.21 Gross expenditure by unions during this reporting period fell by 10.6% to £1,092.20 million, while at the end of the reporting period total funds amounted to £1,520.4 million, an increase of 42.0% over the previous period. This unusually large variation from the previous period is in part a reflection of the effect of the introduction of accounting standard FRS 102 on the overall statement of net assets.

## **Salaries and benefits**

4.22 Trade unions are required to include in their annual returns to the Certification Officer information about the salaries and benefits paid to certain of their national officers and executive members from the organisation's funds. For the purpose of the annual return, benefits are defined as being: a) those designated as a taxable benefit by Her Majesty's Revenue and Customs; b) pension/superannuation arrangements; and c) redundancy and other termination payments. The Certification Officer requires that all benefits paid from the funds of the union are reported, whether such funds are maintained at national or other level. Information from trade union annual returns received in the reporting period showed that 16.34% of unions paid a salary to their general secretary of over £100,000; 19.6% paid between £60,001 and £100,000; 14.6% paid between £30,001 and £60,000; and 16% paid up to £30,000; while the general secretaries of the remaining 34.5% did not receive a salary. Four unions (4.0%), although paying no salary to their general secretary, did provide an honorarium or other benefits.

4.23 Appendix 5 gives information on the salary and benefit payments in respect of each union which makes a payment to its general secretary. There is no requirement to provide such information in relation to other employees, even if they are paid more

than the general secretary. Employer's pension contributions make up a significant proportion of the benefits paid. Employer's national insurance contributions are excluded from the table at Appendix 5.

### **Employers' associations**

- 4.24 A summary of statistics concerning the membership and finances of employers' associations based on returns received within the reporting period is given in Appendix 6. Details are given for each of the 23 employers' associations (including scheduled associations) with total income of more than £2,500,000.
- 4.25 The statistics in Appendix 6 are based on returns from 90 employers' associations received in this reporting year compared the same number as in the reporting year for 2015-2016.
- 4.26 From the returns received in this period, the figures show the gross income of employers' associations was £477.91 million compared with £554.60 million recorded for the previous year, a decrease of 12.2%. Income from members rose by £7.5 million to £195.40 million, an increase of 3.9%. Income from investments fell from £29.03 million to £10.13 million, a decrease of 65.1%. Other income fell from £327.73 million to £272.38 million a decrease of 16.9%. During the same period, expenditure fell from £489.84 million to £449.55 million, a decrease of 8.2%.
- 4.27 The figures given in Appendix 6 include both general funds and, where applicable, funds maintained for specific purposes. At the end of the reporting period the net assets of employers' associations amounted to £417.10 million, an increase of £28.87 million (7.4%) over the figure reported for the previous period.
- 4.28 Employers' associations are not required by the 1992 Act to provide the Certification Officer with details of officers' salaries and benefits and membership audit certificates.