

AMALGAMATION SUB-COMMITTEE

REPORT TO ADC 2017

PROGRESS TO DATE ON THE 'NEW UNION PROJECT'

1. Background

This Report is an update on the discussions under the New Union Project since ADC 2016. These have involved the so-called 'Groups of 3' i.e. the General Secretary, President and Vice-President of each of the participating unions CPSU, IMPACT and PSEU and the 'Groups of 10' i.e. the 'Groups of 3' expanded to include other Executive members – in our case our Amalgamation Sub-Committee. Further meetings involving senior full-time staff have also taken place with external advisers such as Financial Accountants, Legal Advisers, and Communications experts etc. The outcomes of these external meetings are reported back in the first instance to meetings of the Groups of 3 and direction taken by consensus in relation to any further work with these external advisers.

This Report is intended to be factual and informative. It is not an attempt to set out an argument 'for' the New Union. It does not deal with our existing situation and any alternative that may offer for the future. It is merely a report of work done to date on this project. A detailed and comprehensive prospectus on the New Union Project will be prepared in advance of consultation meetings with members across the country and the planned ballot later this year. It is at that time the arguments 'for' and 'against' will be put to the membership.

2. Why 'the New Union Project'.

During 2011 ICTU conducted a review of union organisation by means of a Commission on Trade Unions. A comprehensive report in 2013 called 'Future Positive' was critical of the way in which unions were organised in Ireland. It listed a number of recommendations and, in particular, it referred to Union organisation in the Public Service. A year previously our ADC passed a motion calling on the Executive to look at the future of the CPSU and its relationships with other unions. ADC 2013 endorsed that Motion and the work being done in the context of developments at ICTU. The Executive's Amalgamation Sub-Committee researched a range of unions here and in Britain and Northern Ireland with a view to greater co-operation, federation or possibly amalgamation or merger. Reports at ADC 2014 and ADC 2015 further endorsed this work and last year ADC endorsed a very detailed and comprehensive report which

looked at the New Union Project in detail and also at the implications for the CPSU of a 'Stand Alone' policy over the next 10 to 20 years. It passed the following motion:

"The Amalgamation Sub Committee on the basis of the research and work carried over the last 12 months since ADC 2015 recommends the following for endorsement by ADC 2016:

- (i) That the union should immediately act on the findings of the Stand Alone Report and put in train the Recruitment and Financial recovery options identified to ensure a stabilisation of the CPSU in the light of the challenges identified.*
- (ii) In terms of exploring options of amalgamation or greater co-operation with other unions as mandated previously by Conference, ADC notes the progress made in the New Union Project as set out in the document published by all the unions involved Appendix 3) and resolves that the CPSU shall continue to participate in these discussions with a view to proposals being put to the members on whether the union should join with the other unions to form a new union. This ballot of members should take place in 2017."*

The Financial and Recruitment issues will be addressed at ADC in other sections of the Clár. This Report confines itself to developments in the New Union Project.

3. Work on the New Union Project since ADC 2016

Discussions between the three unions since the 2016 ADC have focused on four core areas:

- Putting the organisational structures designed and modified at our discussions into a format that satisfies the legal requirements set down for Trades Unions in Irish Law. This involved drafting a new rule book which would embrace as much of the culture and principles of the three unions as possible and a formal legal text known as the 'Instrument of Amalgamation'.
- Service delivery guarantees to be provided to members of the new organisation
- Identifying how the New Union would be better resourced to serve its combined membership of 80,000 plus than the three unions are currently as separate entities.
- The additional benefits that an organisation with 80,000 members will be able to deliver to its members.

4. Timelines, Organisational structure, Legal Requirement & the Draft Rules

To create a possible new union, it is necessary to create a new rule book. It is also necessary to create a legal document called an Instrument of Amalgamation. Both are required by Law. The principal requirement of a rule book is to set out the structure of the organisation and the decision making processes within the organisation. Significant progress on a new rule book has been made. It is currently with legal advisers and there are some small 'tweaks' to be made. These are only 'technical' in nature and it is hoped to have the draft available for ADC. If not it will be circulated as soon as possible after ADC.

- i) The **target date** for a new organisation is 1 January 2018. This assumes that the timeframe, including a ballot in September/October 2017 can be met (October being more likely than September - it should be noted we have been working on this Project for over three years now). There will be at least a six year transitional period up to 2024.
- ii) On the date of establishment, it is proposed that the Dispute Fund of IMPACT, the CPSU Contingency Fund and 10% of the PSEU Reserves will be merged to create a **New Union Contingency/Dispute Fund** of circa €50m (currently our Contingency Fund is €3.5m)
- iii) All other assets of the three unions will transfer into the general funds of the New Union and will amount to approximately €40m (save **our Benefit Fund** which will remain separate for the continuation of our members/grades Benefit Scheme).
- iv) All **existing staff** of the three unions will transfer to the new union, (staff have been guaranteed that there will be no compulsory redundancies)
- v) All **existing members** of the three unions will become members of the New Union.
- vi) All **existing Branches** of the three unions will remain in place.
- vii) **CPSU National Committees** will continue as they are currently constituted.
- viii) Departmental Staff Panels will evolve to help create '**one voice**' for the three unions over time.
- ix) The New Union will have **six Divisions**;
 - The **Civil Service Division**
 - The Education Division
 - The Health and Welfare Division
 - The Local Government and Local Services Division

- The Municipal Employees Division
- The **Service and Enterprises Division**

Most CPSU members will be in the Civil Service Division. Members not in the Civil Service will become members of the Services and Enterprises Division.

- x) The Civil Service Division and the Health and Welfare Division will be the largest in the new union with about **28,000 members** each.
- xi) Each Division will be **autonomous** in respect of matters exclusive to their Division including industrial disputes etc.
- xii) **Industrial action** may be sanctioned by a Divisional Executive Committee on issues specific to that Division.
- xiii) There will be a **Divisional Consultative Council** for each division which will meet at least once a year made up of Branch Representatives.
- xiv) There will **Divisional Conferences** every two years (with the National Conference in the intervening years) which will elect the Divisional Executive Committees and set policy for each Division.
- xv) **Delegate representation** at Divisional Conferences will be set in ratio to the size of each Branch i.e. as a percentage of the overall membership in the Division.
- xvi) In order to ensure that members of existing unions are represented fairly on the **Civil Service Divisional Executive**, there will be three 'constituencies' to reflect each of the existing unions. Ten members will be elected by the former CPSU Branch Delegates, ten by the former PSEU Branch Delegates and six by the former IMPACT Branch Delegates. In addition, there will be a Chairperson and two Vice –Chairpersons who will be elected by open vote with the proviso that they cannot be from the same 'constituency'.
- xvii) There will be **Standing Committees** of each of the three constituencies drawn from the relevant members of the Divisional Executive to advise on industrial relations issues affecting specific grades and liaising with the relevant Equivalent Grades Committees (see below at xxv).
- xviii) The **Services & Enterprises Executive** will have 2 members elected from the 'CPSU' constituency and 2 from the 'PSEU' Constituency at its Divisional Conference.
- xix) Each Division will elect members of the **National Executive Committee**. The Civil Service Division elect 6 members, (for the transitional period up

to 2024, this will be 10) made up of the Chairperson and 2 Vice-Chairpersons of the Division plus three (seven until 2024) other members elected at the Divisional Conference. The Services and Enterprises Division will elect three members of the National Executive.

- xx) There will be a **National Conference** every two years, (Divisional Conferences to take place in the intervening year).
- xxi) **Delegate representation** at the National Conference will be set in ratio to the size of each Branch i.e. as a percentage of the overall membership.
- xxii) The National Executive shall consist of a **President**, three **Vice-Presidents and a Treasurer**. These must be from different Divisions. In addition, there will be 23 'ordinary' members (27 until 2024), made up as follows;
 - 6 from the **Civil Service Division** (10 until 2024)
 - 3 from the Education Division
 - 6 from the Health Division
 - 3 from the Local Government Division
 - 2 from the Municipal Employees Division
 - 3 from **Services and Enterprises Division**
- xxiii) The National Executive will call a **Consultative Council** at least twice a year made up of representatives of the six Divisions and all the Branches.
- xxiv) There will be a **Standing Orders Committee**. Each Division will be entitled to elect two members. The Civil Service Division shall be entitled to three members at the first national conference, one from each constituency.
- xxv) **Equivalent Grade Committees** will be established to bring members in the same grades with similar pay and conditions interests across the Divisions together and increase their profile within the New Union e.g. representatives of our CO grades will be part of an Equivalent Grade Committee with representatives of the CO grades in the Health and Local Government Divisions. This significant development will see circa 18,000 CO's represented by one committee in the New Union.
- xxvi) The rules provide for a written **code of service standards** which a member may expect to be met, the assignment of a senior official to oversee this commitment and to deal with any complaints, and the appointment of an external Ombudsman to hear and adjudicate on appeals
- xxvii) The **rate of subscription** in general will be 0.8% to a max of €370 a year. The rate for our members/grades will continue at 1% in order to continue our Benefit Scheme in the New Union (members currently pay 0.2% into the Fund and that will remain the case in the New Union)

- xxviii) The rules provide for the **allocation of subscription** income to the Contingency Fund, a Developing World/Global Solidarity Fund, and the General Fund and in the case of the CPSU constituency the Benefit Fund.
- xxix) **Branch Funding** will be at 10% of subscriptions (currently we allocate 5%) to be paid from the General Fund.
- xxx) Provision is made for an **interim phase** of combined Executives and Officers until the Divisional and National Conferences elect new Committees and Officers in April and May 2018.
- xxxi) The rules provide that, up to 2024, if the majority of members of any of the three constituencies or former unions so request, there will be a **review of the amalgamation**. If agreement cannot be reached, the General Secretary of the ICTU shall appoint an **arbitrator**, whose findings shall be binding.

5. Service Delivery Guarantees

A major issue in any new union will be confidence in delivery of services to members. All three unions agree on the need to provide reassurance in this regard. The rules provide for a senior official to manage the delivery of services and to oversee and address complaints from individual members, groups of members, union branches etc. This will come under the responsibility of one of the existing General Secretaries who will be a member of the senior management team. The rules also provide for the appointment of an outside Ombudsman to deal with any appeals by individual members or groups of members etc. against decisions made by the appropriate bodies within the union structure

The written code of service standards is still a 'work in progress'. The agreed code will included in the final prospectus to be put before the members in a ballot.

6. Resources at the New Union

The New Union will have combined financial muscle of circa €90m in cash and investments, property assets worth over circa €30m (?) and a combined staffing resource of over 140 pole with many years of experience, both industrial and administrative. The scale of these resources means there is significant scope for the delivery of services at a range and depth not possible within each of the individual unions.

- (i) **Industrial:** The CPSU currently has a team of 8 Officials working directly on day to day industrial relations for circa 10,000 members (excluding SOs now transferred to PSEU). The PSEU will have 8 Officials (inclusive of IRO post due to be filled) for 11,000 members (inclusive of an estimate for SOs joining) and

within the organisations where we have members IMPACT has 5 Officials and the part time use of a further 3 Officials for 6,000 members approx. It is not proposed to reduce these numbers in the New Union organisation, but as all 3 unions have officials working side by side often for relatively small numbers of members there is clear scope to release some officials to take on new duties within the Divisions not currently being carried out which will improve services to the members.

- (ii) **Recruitment:** We have identified a pressing urgency to recruit new members into our organisation. Although the New Union will have about 8 times our membership this work must be stepped up. IMPACT currently has 14 full time organisers and recruiters and this resource will be built on and expanded in the New Union.
- (iii) **Training:** We run a number of well-regarded two day training courses for representatives several times a year but this is but a part of an Officials job. Neither does the PSEU allocate resources to training on a dedicated basis. IMPACT does but it will be possible in the New Union to create a dedicated Training Unit which will not only work from the Dublin HQ but will have the use of the existing IMPACT Regional Offices network in Sligo, Galway, Limerick and Cork.
- (iv) **Communications:** Neither the CPSU nor PSEU have the resources to provide a comprehensive internal/external Communications service that could hope to meet the reasonable demands of our members for a stronger voice in the public arena. IMPACT currently has a team of four working on a range of media platforms and this can be enhanced as part of the New Union through making additional resources available and combining our limited resources with those of the larger union and those of the PSEU.
- (v) **Information Unit:** The new organisation, if it is agreed, will be in a position to provide a dedicated members' information unit based on our MIRU experience to deal with queries directly from individual members on their rights and entitlements. This service would augment the service provided currently by full-time officials and branch representatives.
- (vi) **Administration:** Each of the three unions currently have their own general administration services (reception, meetings support, document preparation etc.) membership/database, financial/accounts etc in three separate Headquarters in Dublin. Overtime there will be scope to realign these and greatly strengthen and improve our administration. We will also have access to the Regional Office network which is staffed (Administrative and Industrial) in Sligo, Galway, Limerick and Cork while the potential to further expand the network into other areas also exists.
- (vii) **Management:**
While staffing issues require finalisation, including discussion on the allocation of duties and areas of responsibility, not least with the staff themselves, there will be a senior management team of the existing General Secretaries which will ensure each constituent former union is represented at the highest level of the new union. There will also be a broader management team to include the next tier of existing senior staff from each constituent former union. This principle of ensuring that each former constituent union is

represented through the various tiers of the new organisation will be applied in order to ensure that all members within the new union feel represented adequately. Each member of the senior management team will have a key area of responsibility such as responsibility for establishing and running the new Civil Service Division or responsibility for establishing the new Equivalent Grades committees, establishing new and expanded membership services and ensuring service standards etc.

7. Benefits to Members

At the core of this Project is the requirement that the combined efforts of all three unions in the New Union should deliver a better service in the workplace and at National negotiations than each does currently as separate entities. Notwithstanding that, however, it's obvious that a new organisation with 80.000 plus members should be capable of securing new and improved 'affinity' benefits for its membership. Work on this is ongoing but it is intended that, by the time members of the three unions get to discuss and consider the details of the New Union in advance of the ballot, a 'package' of such benefits will be in place as a result of the 'buying' power of the membership size.

8. Other ongoing tasks

- (i) **Identity:** From the outset it has been accepted that the New Union will require a new name and identity or 'logo'. This work is now underway. It will involve consultation with members groups from each of the unions but whether the outcome sees the light of day will depend on what the members decide. There is a question over whether we are required in law to decide the name before the full ballot or after the ballot. This is being clarified with the Registrar's Office currently. Regardless of this, however, work on the design of websites, publications, social media presence etc. must progress as these are not matters which can be addressed in a short time period.
- (ii) **Due Diligence:** The three unions engaged Mazars to do a 'due diligence' examination of the financial well-being of each of the unions. Mazars were chosen because of their profile and experience but primarily because none of the three unions use or have used them to carry out work on their financial affairs. It is hoped that a draft report will be available before our ADC. Mazars have confirmed nevertheless that there are no issues of significance or concern in the accounts or regarding the financial viability of any of the three unions which would damage the project.
- (iii) **Costs:** It should be noted that under the Trade Union Acts costs associated with an amalgamation process such as this may be covered by the State Fund established for the purpose of facilitating such projects.

8. Next steps

All outstanding matters will be brought to finality in the next few months. The expectation is to have all completed by September 2017. Commencing immediately after ADC Branch meetings will be convened to begin the process of in-depth consultation and discussion on what the New Union involves. In advance of the ballot in mid/late September and October (October is more likely) a comprehensive prospectus of the New Union proposal and rules etc. will be presented to the members through their Branches. This process should also examine the alternative of maintaining the CPSU organisation as a standalone entity including how it might be developed and enhanced within its resources.

Eoin Ronayne
General Secretary
31st March 2017.