

Refounding Labour

A submission

by

Though Cowards Flinch

<http://thoughcowardsflinch.com>

June 2011

1 Background to this submission

- 1.1 Though Cowards Flinch (TCF) is a well-regarded Labour/Left website and emergent think-tank, specializing in analysis of the current British political scene. Many of the articles first presented at TCF are cross-posted, by arrangement and with appropriate editing, to the British left's most popular website, Liberal Conspiracy.
- 1.2 The two main current contributors to TCF, Paul Cotterill and Carl Packman, are active members of the Labour party. Paul was, until his retirement from elected politics in May, the leader of a Labour group on a Borough Council, and has a track record of electoral success. He is also a well-regarded community activist, organizer and social entrepreneur. Carl is a young member and is especially active in the combating of neo-fascist and racially extremist politics which has brought harm Britain in recent years.
- 1.3 TCF is therefore rooted in grassroots political activity and community organization both within and beyond the Labour party, and is ideally positioned to make a well-informed, productive submission to the Refounding Labour consultation. Many of the recommendations set out here have their roots in earlier articles written for TCF and other publications, and are further informed by the often extensive comments and responses to those articles from other Labour/Left activists.
- 1.4 This submission is focused on practical steps that the Labour party can take to improve its functioning. It is about how structures and roles within the Labour party should be revised, rather than about specific policies that the Labour party should adopt (though examples of possible policy development are used as they relate to changed structures).
- 1.5 The submission, while practically oriented, is informed by political theory, especially around the concept of power. TCF believes that contestation of power and authority is both inevitable and, when properly structured, desirable. We believe that the current power structures and bureaucracies at play within the Labour party, developed with good intentions by the party's hierarchy as a means to an end (holding electoral power) have become fundamentally disempowering because they do not sufficiently allow legitimate contestation of and, where necessary, challenge to authority. We make recommendations about how power and authority might be devolved within the party in a way which empowers members and affiliates, and creates the base for electoral success.
- 1.6 Ultimately, we believe that the political philosopher Hannah Arendt (On Violence, 1970) was right:

"Violence can always destroy power. Out of the barrel of a gun grows the most effective command, resulting in the most instant and perfect obedience. What never can grow out of it [violence] is power."
- 1.7 The Labour party under New Labour has exerted a form of violence upon its membership, and this has led to a loss of power. Now is the time to remedy that situation, by using the Refounding Labour process to put in place explicit measures that devolve power back to members.

1.8 The submission is in seven sections, though there is some interrelation between them. The sections are as follows:

- Revising Clause I
- Revising the role of the Labour MP
- Revising the policy-making process (1): the role of the Labour MP
- Revising the financial flows within the Labour party
- Revising the policy-making process (2): the role of Labour commissions
- Revising engagement with the trade union movement
- Revising the role of the Labour councillor within the local party

2 Revising Clause I

2.1 We start with an important symbolic action, Labour's 'Clause I' moment.

2.2 This symbolic action is, we suggest, as important to the refounding of the post-New Labour party as was Tony Blair's 'Clause IV' moment. All the other recommendations that follow in this submission can be acted upon without our proposed 'Clause I moment', but they will all be strengthened by it.

2.3 Currently, Clause I para. 1 reads:

"This organisation shall be known as 'The Labour Party' Its purpose is to organise and maintain in Parliament and in the country a political Labour Party."

2.3 We recommend that the circularity inherent in this statement be removed, and a firmer commitment be made to those who benefit from the existence and activities of the Labour party. Something like the following may fit the bill, though of course the exact wording should be a matter for debate (perhaps with a view to adoption in 2012):

"This organisation shall be known as 'The Labour Party' Its purpose is to contribute significantly to the economic, social and psychological well-being of the people of Britain, and where possible the wider world, and in particular those citizens who suffer systemic disadvantage."

2.4 Why do we consider such a change, initially at least only a symbolic one, so important?

2.5 First, it sets out a clear message that the Labour party does not exist simply for its own sake, and that it has a clear sense of who should benefit from what it does (while being wide enough to allow of different political principles and mechanisms for the achievement of that benefit).

2.6 Second, it moves the objects of the party closer to those that might be expected of a charity or non-profit organization. As we set out below, the Labour party needs to develop a more modern organizational form and culture, if it is to become the party of political and community organization.

2.7 Third, and related to the first two, it is a clear statement that the party is moving away from its overwhelming concentration on electoral campaigning and towards a party which both sees community and political organization as synonymous, and is confident that electoral success will follow as a consequence of its grassroots work.

2.8 This is not to say that electoral campaigning will become superfluous, of course, but it does mean that the party should always build its campaign on a record of real achievement and benefit for those whom it exists to serve (just as good local councillors need to campaign to get re-elected, but find it easier to do so because they have been good at serving their constituents).

3 Revising the role of the Labour MP

- 3.1 MPs, and to a somewhat lesser extent, MEPs, have an almost godlike status within the Labour party organization and culture.
- 3.2 This is an understandable development. After all, whether or not we get MPs elected or re-elected makes the difference between whether we have our hands on the levers of power on behalf of the citizens of Britain, or whether our enemies do. So of course a great deal of effort goes into make sure our MPs and our parliamentary candidates are well resourced and well regarded, and of course we pull out all the stops to help them, and of course they come to be seen as the most important people in the party.
- 3.3 But having MPs who are answerable to no-one in the party other than the Leader of the Party and the Chief Whip has created a stultifying environment for local parties, in which the power to effect local change lies in the hands of one person, and where party members, affiliates and supporters are concomitantly disempowered.
- 3.4 This is not a criticisms of most MPs, or parliamentary candidates; it is merely an analysis of the structure culture within the party, in which – at best – the local MP (or PPC, or occasionally and MEP) will report back to the party on what s/he has done, but do so without any prior set of expectations about what s/he might be expected to do. That is, the local party has all the responsibility for supporting the MP/PPC, but no authority over what s/he does, while the MP has all the authority to at, but none of the responsibilities.
- 3.5 Of course most MPs do seek to act ‘responsibly’, using their common sense to do the right thing by their local party, but this does not stop the party being disempowered and, ultimately, alienated (with all the consequences for activity and membership levels that go with that).
- 3.6 We need to change this culture, and develop a local party process which gives members and affiliates real power. We recommend the following practical measures be adopted, and set out in the rule book:
 - 1) MPs and PPCs should be required, in June of each year to agree a constituency business plan with their CLP, and then report on it regularly (say quarterly) through the year, with adjustments agreed as necessary.
 - 2) The business plan should set out the key objectives for the development of the constituency, and a clear set of tasks that will be undertaken by the constituency office. It should also set out key task areas in respect of national parliamentary business i.e. Lobbying for legislative change, where deemed appropriate.
 - 3) The business plan should set out the resources required for its implementation, and therefore effectively form the ‘application’ for the required resources, the authority over which lies ultimately with the CLP (through the officership and the executive). See below for more detail on the financial changes that will be needed in the party to bring this essential level of member/affiliate

empowerment. Ultimately, failure of the MP/PPC to agree and implement an agreed business should where necessary, lead to the local party deciding to use the resources now available to it (see below) on alternative constituency action, though such action is likely to be rare.

- 3.7 Such rule book changes should and will be accompanied by a fundamental change in the relationship between MP and local party.
- 3.8 Local parties will start to take on the same kind of role as a board of charity trustees, or a school governing body, which strategically guides and supports the work of its MP, the Chief Executive of the local party charity. This new authority and power of engagement will lead to more active member involvement, as members realise that the business plan is a living document, and will lead to membership recruitment (and development of union affiliation) as people realise that the way to drive constituency matters forward is through involvement within the party, not by lobbying the MP from the outside.
- 3.9 When it comes to the selection of PPCs, the same broad cultural changes will need to apply. Local parties will need to appoint their PPC in much the same way as a headteacher or a Chief Executive would be appointed.
- 3.10 At the moment, party members involved in selection look for some key things in those they are 'grilling' during the selection process, and these tend to be focused on their beliefs, but more particularly their oratory and 'charm level', linked to the level of personal clout that might be expected on behalf of the local area.
- 3.11 Outside party influences aside, that is often why local candidates can be overlooked in favour of the 'names' from the metropolitan, think-tank, professional political elite; looking and sounding good, knowing their lines, knowing which buttons to press, is what they're trained at.
- 3.12 To counter this trend, there needs to be a job description and a person specification focused on what they have identified as the key tasks and challenges for the next four/five years, both locally and in terms of the national party. The focus needs to be less on charm, more on organisational skills and experience. Oratory should be in the 'desirable' column of the person specification; 'ability to manage resources to time and budget' should be in the essential column.
- 3.13 This will in time favour local candidates, who will understand what resources are available, in the context of the task set for them by their 'trustees'. It will also favour working class 'organisers'.

4 Revising the policy-making process (1): the role of the Labour MP

- 4.1 Good intentions do not lead to effective policy making, or member involvement in policy making, and the party needs simply to accept that what we have now does not work for the vast majority of members, who feel alienated from the whole policy making process. Relatively few people in the labour movement understand it, and probably even fewer trust it to deliver 'effective policy' (even this term is contestable).
- 4.2 Ultimately, the problem is that structure has been developed as a way of disguising power asymmetry in the party.
- 4.3 To tackle this, we proposed the abolition of current process in favour of one which acknowledges that power is (and should) always contested and contestable, and which puts accountability of senior party people at the heart of the process, rather than allowing them to use a complex 'deliberative' structure as shield.
- 4.4 The party needs to accept that there are limits to the effectiveness of the kind of deliberative/semi-democratic centralism structures now in place, and Labour – if it really is to engage more members and non-members – needs to embrace the 'messy', but creative dynamics of contested power, scrutiny of and challenge to authority.
- 4.5 More specifically, the recent Partnership in Power consultation document (p.8) contended that "PiP has in most people's eyes been considered a success."
- 4.6 This is either wishful thinking, or else the use of the term "most people" to mean people within the NPF and commissions. Most party members and affiliate members are either unaware of the process or think it does not work.
- 4.7 Whatever the original good intentions behind the PiP, it is simply not possible to develop an effective deliberative system to include so many people and so many constituent organisations. All that is created is a series of asymmetric power structures where those in position of party authority (necessarily) dictate the policy setting agenda to those not in authority (in local CLPs etc). Those without authority then lose faith in the process because they see no meaningful result of their input.
- 4.8 The most important point is that the current process **lacks accountability**. There is no-one within the process to whom ordinary members can go and ask about what happened to their or their branch's policy submission, whether it was accepted, why it was rejected, and what's going to happen now.
- 4.9 The lack of accountability is built into the structure by the way the NPF farms detailed policy development out to commissions, and the commissions report back to the NPF structure to those who have submitted proposals, for example.
- 4.10 We need, then to build accountability back into the process.

- 4.11 The best way to do this is to abolish the cumbersome structures of the NPF/JPC etc., and invest both authority and accountability in the place where most members of the party see it invested anyway, and where they have a real and meaningful point of contact.
- 4.11 This is the local MP, or the local PPC where there is no Labour MP (see also below re: MEPs).
- 4.12 We need to establish a process – indeed culture - whereby branches/CLPs/affiliate groups, and perhaps also individual members, can make legitimate policy demands of their MP/PPC, asking them to promote their policy proposals and ideas.
- 4.13 The parameters for this process should not be set out from ‘on high’ as they are at the moment (with the six pre-defined policy areas), and the power to raise policy ideas/concerns should fit squarely with local parties. It should then be the job of the MP/PPC to feed these policy ideas directly towards the shadow cabinet/NEC (the ‘ex-JPC’), and to report back directly to local parties on what steps, with what level of success, they have taken.
- 4.14 This whole process should be part of a wider configuration of the MP/prospective MP role (see above), whereby s/he should become answerable to the local party. As set out above, local MPs should start to see themselves as akin to the CEO of a charity, in which the members elect Trustees (in the form of CLP officers) to oversee the MP/CEO, and the MP/CEO presents, say, an annual business plan to the ‘trustees’ for approval of business expenditure) and regular monitoring. Changed financial arrangements for constituencies and constituency parties which will promote membership growth will also need to be introduced.
- 4.15 Where policy matters are expressed in local terms by local parties, it should be up to the MP to extrapolate as need be to develop wider policy recommendations for submission to the Cabinet/NEC, in conjunction with other MPs as s/he feels necessary/useful. This is, of course, what happens when casework of councillors ends up becoming part of a wider political debate in a Labour group, but on a larger scale.
- 4.16 To this end, MPs can of course avail themselves of existing structures like the regional MP groups should they feel this will be helpful in putting forward the policy recommendations of their local party (the group may need to be open up to PPCs).
- 4.17 This will create a much more dynamic structure for the policy making process, with accountability back to members built in as part of an MP’s performance by which s/he is judged when it comes around to selection trigger points etc..

5 Revising the financial flows within the Labour party

- 5.1 This recommendation is the beating heart of our Refounding Labour submission.
- 5.2 All the other recommendation we make will have some beneficial effect on the party in its absence, but overall will be the weaker without it. Devolution of control over the party's money will create devolution of power, and where there is real devolution of power we will get new energy, new creativity, and a new vibrant, engaged membership (and new affiliation).
- 5.3 The proposals we make here are in fact best set out as proposals for ALL political parties in Britain, because they will be beneficial to the whole of the body politic. Traditionally defined politics is at its lowest ebb, and the Labour party should be putting forward concrete proposals for its rejuvenation, and preparing for appropriate legislation when it returns to power. This legislation should be ambitious far-reaching but also fair, contrasting to the Coalition's current unfair proposals aimed fair at squarely at the relationship between the Labour party and the broader labour movement.
- 5.4 Nevertheless, while the recommendations we set out below are framed in terms of legislation for all parties, and should form a key plank in our next manifesto, the Labour party should start to implement the changes within its own party, providing evidence to all that they are effective as a mean to revitalize politics at local, and thereby national, level.
- 5.5 The recommendations are therefore as follows:

What is proposed

- 5.6 The whole financial flow of state funding for all political parties that have representatives in the House of Commons (as a proxy for overall current national legitimacy, and to exclude the BNP and other extremist) should be reversed, in order to promote local political activity and devolve power within parties to the 'grassroots'.
- 5.7 The total amount of state funding should be equivalent ONLY to the amount of funding provided indirectly to political parties in the forms of MP allowances, ministerial allowances etc. and, for example, funds spent by the BBC on allowing free party political broadcasts. There would therefore be no overall additional cost to the taxpayer. Indeed, a saving might be made.
- 5.8 The overall 'pot' of money should then be divided up at a local level e.g. CLP level/Tory association level on a pro-rata basis according to membership at the start of the financial year. It would be up to the parties themselves to debate and decide on what amount of this locally allocated resource should be allocated to national party levels.
- 5.9 The important change would be that, as with the money – if formally lodged with local parties in the first instance – the power balance between centre and local is changed, in my view for the better.

- 5.10 All other types of donations would be permissible, but could only be made to local parties, and would not exceed a certain ratio of private donation to state funding (level to be agreed). Individual donors would only be able to donate to a limited number (let us say 3 for arguments sake) of local parties in this way, of which one would need to be the donor's area of residence.
- 5.11 Unions would abide by the same rules, with each union branch counting as an individual donor. There would be an expectation that the ratios of state to donor funding permissible would fall over the first few years, as the money is replaced my membership fees in rejuvenated local parties (see below).

Rationale and consequences

- 5.11 The reversal of financial flows, as set out briefly would do two main things.
- 5.12 First, and important enough in the current context of poor public opinion of both MPs and national level political parties, it would make them much more accountable to the local parties that selected them to stand for office (whether parliamentary or intra-party) in the first place (see above also on the need to change the role of the MP)
- 5.13 For example, the money that used to go straight to their MP expenses bank accounts to fund e.g. local offices, local staff as well as their day-to-day personal expenses will be lodged, alongside any other matching funds, with the local party. The MP will need to justify her/his claim to a section of the overall local party 'pot', by setting out a business plan for an appropriate period and justifying costs.
- 5.14 In most cases, local parties are going to want an MP who does plenty of casework and local representation, as well as 'performing' for them in parliament as they want them to, and will provide a reasonable budget for this, including a place to live in London during the week, for example.
- 5.15 If the MP can justify 1st class travel on the train, for example, because it allows them to get more work done, then that's fine. If not, that's fine too. If the local party thinks it might be a better idea if the MP's office and the local party office functions should be merged to rationalise costs, then they'll have the final say.
- 5.16 Equally, national level parties will have to seek money from local parties to carry out their functions (beyond a certain top-slicing which might be agreed to allow a core national function). Thus, for example, if the national party wanted to spend money on TV adverts, they would have to seek the money for it from local parties.
- 5.17 Cynics might argue that, while it's all very well to devolve power to local parties, this is hardly the same as devolving to local people; the argument of those keen to retain power centrally will be something along the lines that local parties are currently very weak structures in many areas, peopled, if they are peopled at all, by self-selecting, self-referential nobodies with few brain cells to rub together. This argument will come particularly, from 'party Hqers' themselves desperate to retain the current status quo of the power and money structure, and who are distrustful of the capacity of the 'foot soldier' activists.

- 5.18 That, after all, is what is writ large in both main parties' 'motivational' literature, and in the many central government documents, influenced by the policy wonks at HQ or at Downing Street – the view (now thankfully being tackled within Labour through the Refounding Labour process) that local parties are a thing of the past, that local politics can safely be done away with in favour of technocratic management of CLPs/Tory associations, where the only expectations are lip service to policy reviews and, more important, to campaigning with HQ-sanctioned leaflets, HQ-sanctioned IT set-ups which alienate people 'on the doorstep' because they've been created by people who've never been 'on the doorstep and don't realise asking questions of people while ticking off their answers on a pre-arranged coded list is not the same as talking to people like they are people.
- 5.19 The point is that, with a reversal of the financial flow, with what a local party gets dependent on their membership, local parties will suddenly become wholly different entities.
- 5.20 With money comes the capacity to 'do stuff', and combined with a new motivation within existing membership to draw in members, there would almost certainly be a rapid rise in membership, as people actually start to see a point – a decision making point – to being in their party of choice.
- 5.21 Local parties suddenly get not just the opportunity to decide, as a member, on how the MP should use their money (or, in extreme circumstances, whether to give them any at all), but also to decide, for example, on whether the party, and by newly re-established link, the area as a whole, will be best served by the state funding going into a dozen leaflets, or into a playscheme the Council won't pay for.
- 5.22 And suddenly, the way opens up for parties to become mass parties again. At local level, people will engage because engagement matters, and it will not be long before there is a much smaller distinction between 'the party' and the people those parties have, rhetorically, at least, been set up to serve.
- 5.23 As set out above, as membership increases in this way, so will the opportunity to legislate on the permitted ratio of private donations to local funding, as the membership fee total will be counted into this whole. As membership grows therefore, so does democratic entitlement, whereby you don't have to be called Ashcroft to have your say on what your party does with the cash.
- 5.24 In terms of the Labour party, the obvious additional opportunities will lie in the possibility of renewing the link with trade unions, via membership fees, and in some cases starting even to develop the local party organically as a newly rejuvenated Trades Council (see below also) in the way aspired to years ago, but in many areas never really attained because of the very constraints on power, from above, that have set out above.
- 5.25 Clearly, in the absence of Labour-led legislative changes to make all this happen (e.g. the redirecting of parliamentary monies to local party units), Labour will need to make 'voluntary' arrangements to lead the way, and show what can be achieved. This will require adaptation to the rule book, such that parliamentary payments for the running of constituency offices are in fact invested in local parties

in the way set out above. In reality, at least in the short term, the transfer of the monies is likely to be a notional one rather than an actual bank transfer, though the rule book should provide for such a move in the event of fundamental MP disagreement with local parties over spending usage.

- 5.26 While the focus here has been on MPs, we should add that we recommend similar arrangements for PPCs (clearly it will be an advantage for them to be selected early) with suitable adaptation to the rules in light of the reduced spending available. Of course it will be within the power of CLPs that do have a Labour MP to put within their agreed business plan provision for the support of an adjoining (or even partnered at the other end of the country) CLP.
- 5.27 Appropriate arrangements will also need to be made, following the same principles, for MEPs (and MEP candidates where these are selected early enough).

6 Revising the role of Regional Labour party Officers

- 6.1 Labour party staff in the regions are a vital, well-respected resource, and it is essential to review how this resource will best be used if the power devolution recommendations set out above are implemented.
- 6.2 At the moment, regional party staff are an arm of the NEC, and of Party HQ in general. As such, their work culture is dictated by the top-down approach of the national party, and by the current 'worship' of MPs. It is not uncommon to hear regional officers note that, while they might wish it were different, the golden rule is that 'the MP's rule is law'.
- 6.3 This needs to change. It is recommended therefore that the current regional office budgets are devolved down to party unit level, in keeping with the recommendations above. That is, these budgets should not form part of the small 'top-slice' from the overall funds used by the party for its core London function.
- 6.4 This does not mean that regional staff should be handed their P45s, and indeed through the transition phase to the new power-devolved way of doing things, it will be important that this loyal group of staff's terms and conditions are protected.
- 6.5 What it does mean is that, in future, MPs (the new CEO's of their party units) should configure into their business plan budgets the necessary regional support resources, interacting with other regional MPs to come up with sensible overall proposals where regional officers are funded on a FTE basis through different CLP business plans. This is no different an arrangement from the ones that hold sway in larger multi-branch/multi-region charities (e.g. Barnardo's) where regional office costs are built into local budgets, and where there is then a local focus on what the Regional office provides.
- 6.6 In this way, the work of regional staff will, by necessity, 'turn outwards' to meet the needs and aspirations of local CLPs, and away from the current focus on the imposition, at local level, of central mandate.

7 Revising the policy-making process (2): the role of Labour commissions

- 7.1 Above, we have set out recommendations on how the party's policy making process should be revised to a) acknowledge the concept of 'contested power' as a useful dynamic rather than a bureaucratic impediment ; b) to maximum the use of the MPs as local party delegate and negotiator, as opposed to party demi-god.
- 7.2 This is all fine as far as it goes, and it will enable the party to develop effective policy in many areas.
- 7.3 But sometimes policy isn't simple, and it will be beyond the capacity of local parties to initiate and develop it. Let's take two 'intractable' policy areas as examples.
- 7.4 First, there is the poor state of race relations in Britain, and the rise of the far right. TCF's contention – and we are happy to see it contested – is that the poor race relations of the 2010s are (at least partly) directly attributable, through a process of path dependency, to the racism within the Labour party in the 1960s and 1970s. For a fuller review and sources, see our recent essay at <http://thoughcowardsflinch.com/2011/06/01/labour-beyond-glasman-racism-truth-reconciliation/>
- 7.5 This is an unpalatable truth, and in our view the only way to move past it, and to set in train policies which do actually improve race relations is to host a formal 'truth and reconciliation' commission, acknowledge past failure and say sorry to those who have suffered, and start anew. This is a controversial view, but it is one we think worth promoting.
- 7.6 Second, there is the issue of international development aid. There is a growing sense amongst the British population that something is wrong with Britain's approach to the poor world, and this is fostered by the right-wing media happy to peddle false stories about how nearly every penny is wasted. Again, for a review of this dynamic, see our analysis of recent media exchanges at <http://thoughcowardsflinch.com/2011/06/20/how-to-stop-the-libertarians-killing-poor-people-part-1-of-2/>
- 7.7 What is important here is not whether current aid policy is good or bad, but that as a policy problem it seems intractable, not least because most people in the party simply do not know enough about development aid to offer up any view other than the one peddled by the right-wing media.
- 7.8 In such circumstances, the MP-focused, 'contested power' policy development principles simply will not come up with the right answers.
- 7.9 To get over this 'intractable policy' problem – and we give just two examples - we recommend the following process:
 - 1) Party units, Labour and affiliate societies etc. should be entitled to put forward to annual conference recommendations for a specific 'policy commission'. They should be put forward on the basis that the policy area in question is 'intractable' to the more mainstream policy process, either because it is highly controversial (e.g. where we need to admit Labour failure – never an easy thing)) or because

specific knowledge beyond the reach of even the most capable of party units is needed.

- 2) Conference should allow these 'commission proposals' to be put forward, and at the end of debate there should be a voting process to identify the most popular commissions (let us say, two per year). This will need to be within a certain financial envelope agreed by conference (and taken from the top sliced funding set out above).
- 3) The leader of the party (or, culturally, the CEO of the party) should then be delegated to appoint (or even run a tender process for) a commission chair, who would be asked to report back to the next (or perhaps spring) conference with their findings and recommendations.
- 4) The commission chair, who might be expected to be an expert in the policy area, would work within the delegated budget and remit set down by conference, calling witnesses and inviting submissions in much the same way as a Commons Select Committee currently operates. The NEC would set up a sub-group to monitor compliance to the terms of reference, but not to determine the findings and recommendations.
- 5) The commission report would go back to next (or Spring conference specifically adapted to this new role) for approval, adaptation or rejection.

7.10 The advantages of such an approach are several.

7.11 First, it creates a mechanism for proper detailed exploration of difficult policy areas which is beyond the capacity of the current NPF-based process (which ultimately simply tinkers round the edges of centrally-ordained policy and has no real impact on manifesto formation).

7.12 Second, it breathes life into the conference process, with delegates given an important mandate by their local party units to listen to debates on important policy issues and either follow their local party's prior delegation or make a judgment of their own (it is up to local parties to decide whether to send a 'delegate' or 'representative' to conference). It revitalizes conference, however, in a way which does not expose it to the difficulties of yesteryear, with conference decisions on policy (as opposed to policy commissions in the new format) being ignored by the leadership. Here, delegates get their say in a way which actually leads to agreed policy a few months down the road.

8 Revising engagement with the trade union movement

- 8.1 There are two parts to our recommendations in this section.
- 8.2 The first relates to what we have set out above about the need to reverse the financial flows within the Labour party as a means to the devolution of power.
- 8.3 We recommend that this important step be accompanied by an invitation to the trade unions which support Labour to adjust their contributions likewise. That is, trade unions should be invited to reduce funding direct to the Labour party, in favour of an equal (or greater) amount of overall funding directed to local parties.
- 8.4 There are three main reasons why this is advisable.
- 1) There is the current threat from the Coalition government to impose limits on union funding. Devolving funding to lower levels voluntarily will mitigate any such threat.
 - 2) Second, localised funding will bring with it greater local union member interest, and involvement, in what local parties are doing with the money (through engagement in the business planning process set out above)
 - 3) The union movement is already considering only funding candidates who operate in line with its broad principles anyway (cf. Dave Prentiss's recent speech to his member conference). It is much better to anticipate such a move, by welcoming it and accommodating it within the new devolved structure, than it is to be surprised by it.
- 8.5 Our second recommendation concerns the re-establishment/re-invigoration of local Trades Councils.
- 8.6 At one time, in many areas, these were a vital part of the labour movement, allowing workplace-based trade unions the opportunity to engage in geographically focused cross-union activity, in a way remarkably similar to what is now being promoted under the term 'community organisation'. The trade union unemployment centres, for example often a vital community resource for the areas they serve, are a product of this now faded structure.
- 8.7 Our recommendation is simple therefore. The (re)-establishment of local (Modern) Trades Councils should be a priority, and the maximum use should be made of the TUC's existing support structures for this (including the available development grants). MPs/PPCs in areas without good Trades Councils should be identifying their establishment as a priority for their new business plans, or expect questions about it from their CLPs.
- 8.8 The Modern Trades Councils should be setting about the work that Labour party structures find it harder to set about. For example, there is no reason that a Trades Council should not establish a social enterprise of the type envisaged (in the press) by John Healey, but which it is difficult for political parties to do. Of course, one key aim of the Modern Trades Councils should be to increase local area union membership, and MPs/CLPs should be setting out in their business

plans how best this can be supported, such that the support relationship between unions and party starts to operate both ways – for too long the party has expected union support for its electoral efforts with nothing substantive in return, and this is what has led to union disaffection and, in many areas, effective (if not formal) disaffiliation from the party.

- 8.9 In time, it should be as natural for a CLP to distribute union-joining material to a McDonald's branch as it is for them to leaflet their 'target wards' about local planning issues, but first of all the structure for renewed local union-Labour party interaction has to be put in place, courtesy of the new devolved power structures set out above.

9 Revising the role of the Labour councillor within the local party

- 9.1 We are concerned at the over-emphasis on the role of elected politics in the party. Of course we recognize that councillors play an important role, and that they deserve the party's full support, but the party is now extolling the virtues of becoming a councillor to the effective exclusion of all other vital roles in the labour movement, especially in its most recent prospective candidate programme.
- 9.2 Not everyone should or can aspire to become a councillor, and the party should recognize that councillors, while a vital part of the party structure, are only one part. It should be remembered, for example, that councillors have democratic control over only about 5% of overall public expenditure.
- 9.3 The developing god-like status of the councillor (mirroring what we have said about MPs roles above) needs to be challenged, and the prospective candidate programme merged with a wider activist programme, if such a programme is authorized at all under the new devolved funding arrangements. It is much better, we suggest, to encourage proper engagement in the party in whatever role suits individual skill and life circumstances, and to do so by allowing local parties to develop their own support infrastructures (e.g. buying in WEA resource if they wish) rather than impose top-down ones like those currently being implemented with (sometimes unwilling) local parties.

24 June 2011
PC