



Department
for Education



Department
for Business
Innovation & Skills

Minister for Skills

1 Victoria Street
London
SW1H 0ET
T +44 (0) 20 7215.5000
E enquiries@bis.gov.uk
www.gov.uk/bis
www.education.gov.uk

Sir Edward Leigh MP
Chair - Trade Union Bill Public Bill Committee
House of Commons
London SW1A 0AA

26 October 2015

Dear Sir Edward,

In the fifth and sixth sittings of the Trade Union Bill Public Bill Committee session on 22 October, I made commitments to write on the following matters.

Clause 9

Picketing arrests

During the debate on picketing in the morning session, I provided a summary of the section of the Carr Report which deals with TfL's submission and the description of the conduct of disputes on London Underground. Jo Stevens MP asked the question as to how many arrests there had been. The Carr Report refers to two arrests in relation to picketing. One arrest related to aggressive behaviour on the picket line. After being convicted, that individual was later acquitted. A second arrest led to a conviction for assault, which was later overturned on appeal.

Clause 12

Facility time and union conferences

In the afternoon session, Jo Stevens MP requested confirmation that trade union facility time was used to fund union representatives attending union conferences. I confirmed that data collection following the 2011 reforms to facility time in the Civil Service found that conference attendance was being paid for as part of facility time. I agreed to write to Committee to confirm the detail around this cost.

Conference attendance for trade union representatives is included in ACAS' *Code of Practice - Time off for trade union duties and activities* as an example of a trade union activity, and therefore an element of facility time. In 2013, the cost of facility time in the Civil Service was £16.7million, compared to £9.45million for the latest rolling year to date. Of this £16.7million, nearly £0.5million was spent on sending union representatives to attend union conferences, with some departments spending over £100,000 in a single quarter.

Our reforms in the Civil Service introduced proper monitoring and control of spending on facility time, and this is one of several areas where a lack of value for money for taxpayers was identified.

Calculation on the facility time savings

I also committed to write following Chris Stephens MP's request that I confirm how the savings figures to the taxpayer of facility time reforms have been calculated.

Savings of over £52million in the Civil Service

The 2011 reforms in the Civil Service found that the annual cost of facility time was £36million. In 2013, the cost reduced to £16.7million, and in 2014 the cost reduced again to £9.6million – a saving of over £45million.

We have since collected the Quarter 1 (January-March) costs for 2015, which show that costs are still reducing; these updated figures will be published shortly and show a quarterly reduction of over £6million compared to the costs before the reforms. Quarter 2 (April-June) is currently being collated and shows continued savings that are not included in the £52million figure.

The latest Civil Service publications can be found on gov.uk.

A potential saving of £150million in the Public Sector

Current spending on facility time in the public sector is estimated at 0.14% of the total paybill. Based on the experience in the Civil Service following its facility time reforms, which saw the cost of facility time fall from 0.26% of the total paybill to 0.07% in 2014, a reduction of close to 70%, there are two possible scenarios for pay bill savings in the public sector – both of which would provide a considerable saving to taxpayers.

Firstly, if a reduction in the percentage of the paybill spent on facility time to the amount spent in the Civil Service (i.e. from 0.14% to 0.07%) was seen, this could represent an annual saving of approximately £105million from the total public sector pay bill of around £150billion.

However, trade union membership density is lower in the wider public sector than in the Civil Service, at around 54% compared with 75%, and so a more proportional scenario was also considered. With reduced union representation, it may not be correct to assume that the public sector would require the same level of facility time as the Civil Service, just as the average spend in the private sector, where union membership is also lower, is estimated at just 0.04% of the total paybill.

Under this second scenario, if a proportional reduction was seen in the public sector (i.e. around 70%) as seen in the Civil Service, this reduction would represent an annual saving of approximately £150million (an annual spending decrease from £201million to £62million).

Exercise of facility time powers

I promised to write to the Committee before we debate clause 13 to indicate who will exercise the powers in clause 12 to require the publication of information about facility time; and who may exercise the reserve powers in clause 13 having regard to that information.

It is right that Ministers have the flexibility to propose and, as a last resort, set caps on paid facility time for the sectors and organisations for which they are responsible. This will allow the relevant Minister to make regulations tailored to that. So, for example, the Secretary of State for Health will make regulations imposing publication requirements on NHS and other health employers, and may exercise the reserve powers in relation to them if he considers it appropriate to do so, taking account of the information relating to facility time that they are required to publish.

I am copying this letter to all the members of the Public Bill Committee.

A handwritten signature in black ink, appearing to read 'Nick Boles', written in a cursive style.

NICK BOLES MP