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Conservative threat to opposition funding

An expected £6 million fall in Labour's annual income as a result of legal changes being proposed by the Conservatives will make it impossible for the party to maintain its current structure, staffing or offices, a confidential party document released to the *Guardian* reveals.

The document calculates the party is expecting to lose as much as £6 million in trade union funding as a result of the changes to the political levy being introduced in the *Trade Union Bill*, which is making it passage through the House of Lords at the moment.

The figure is the first internal party estimate of the impact of the bill on the party's finances. The paper says the unions provide 20% of the party's core funding and the consequences of the legal changes will be huge. It reads: "The party could not absorb a loss of £5-6 m and maintain its current structure. With an annual salary cost in excess of over 50% of total costs, it is clear that current staffing levels could not be sustained. In addition to a staffing review, all contracts would need to be challenged to remove any discretionary costs and offices considered for sale or sublet."

The legal changes being introduced by the Conservatives have been condemned as the most unfair alterations to political party funding since the second world war. And they mark an end to a long-standing convention that issues of party funding are agreed on a cross-party basis

Short Money Not content with interfering in union affairs, the Tories are hitting the Labour Party financially through cuts to the Short Money — the public funding received by opposition parties.

However, chancellor George Osborne didn't have the bottle to announce the cuts while giving his Autumn Statement and spending review speech in the House of Commons.

The detail was published in the Treasury documents: "The government proposes to reduce Short Money allocations by 19%, in line with the average savings made from unprotected Whitehall departments over this Spending Review. Allocations will then be frozen in cash terms for the rest of the Parliament, removing the automatic RPI indexation. Policy Development Grant allocations will also be reduced by a similar proportion, ensuring that political parties in receipt of taxpayer-funding contribute to the savings being asked of local and central government."

Taxpayer-funded Short Money will have risen year-on-year from £6.9 million in 2009-10 to £9.3 million in 2015-16, according to a House of Commons briefing. Not as the Treasury claimed £6.9 million in 2010-11 — that year the sum was £6.3 million and covered a

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period when the two coalition parties were not in receipt of Short Money for most of that financial year.

The Treasury also failed to mention is the substantial increase in money going to the Scottish National Party based on the number of new MPs arriving at Westminster after the 2015 general election. There was also, the return of Ulster Unionist party to Westminster with the election of two MPs, and the election a Green MP and a UKIP MP at the 2015 election. All of these new arrivals have added around £1.6 million to the Short Money total. Stripping out that figure the increase is less than £1 million: small justification for chancellor Osborne's assault on the Opposition's financing.

www.theguardian.com/politics/2016/jan/10/labour-expecting-6m-loss-in-funding-through-trade-union-bill

www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf

http://researchbriefings.files.parliament.uk/documents/SN01663/SN01663.pdf

More companies join Living Wage crowd

Two more firms have recently announced that they have received Living Wage accreditation.

UBM, a business media multinational which employs more than 500 staff in the UK, has been accredited as a Living Wage employer by the Living Wage Foundation.

All those working at UBM's UK premises, including permanent employees and third-party contractors and suppliers, will receive a minimum hourly wage of £8.25, and £9.15 in London.

National Express has also become an accredited Living Wage employer and the biggest private sector organisation to pay the higher, voluntary Living Wage in the West Midlands.

As well as pledging to pay all UK employees the Living Wage, National Express will also be ensuring the same for all agency and contracted staff. The move will benefit hundreds of workers across the region including cleaners, canteen workers and admin staff.

National Express' largest UK business, the West Midlands based bus division, is leading the way paying the Living Wage from 3 January 2016. National Express' UK coach and rail businesses will follow by the end of 2017. Why those workers in those businesses have to wait in effect for another two years is not revealed.

Living Wage Foundation director Sarah Vero said: "The best employers are voluntarily signing up to pay the Living Wage which is a robust calculation that reflects the real cost of living, rewarding a hard day's work with a fair day's pay."

http://media.ubm.com/news?item=136867

www.livingwage.org.uk/news/all-aboard-national-express-announces-living-wage-accreditation

Hedge fund fat cats

Partners at the UK offices of the hedge fund Brevan Howard Asset Management LLP were paid an average of £3.3 million pounds in the financial year ending March 2015.

The company paid £120.6 million pounds in compensation, up from £85.3 million pounds on the previous year, according to a filing to Companies House. The number of partners averaged 37 in the year, down from 45, after an undisclosed number became employees because of changes to UK employment law.

The highest-paid unnamed partner received £51.9 million pounds, up from £31.9 million pounds a year earlier, the filing showed. That partner is a pool of money that is distributed to staff members, a Brevan Howard spokesman claimed.

The *Financial Times* newspaper believed the recipient of the £51.9 million to be the firm's co-founder Alan Howard.

www.bloomberg.com/news/articles/2016-01-05/brevan-howard-s-u-k-unit-paid-4-8-million-average-to-partners

Bosses can snoop on workers' internet use

Employers can read workers' private messages sent via chat software and webmail accounts during working hours, judges have ruled.

The European Court of Human Rights (ECHR) said a firm that read a worker's Yahoo Messenger chats sent while he was at work was within its rights.

Judges said he had breached the company's rules and that his employer had a right to check on his activities.

Such policies must also protect workers against unfettered snooping, they said.

The judges, sitting in the ECHR in Strasbourg, handed down their decision on 12 January. It binds all countries that have ratified the European Convention on Human Rights, which includes Britain.

The worker, an engineer in Romania, had hoped the court would rule that his employer had breached his right to confidential correspondence when it accessed his messages and subsequently sacked him in 2007.

His employer had discovered that he was using Yahoo Messenger for personal contacts, as well as professional ones.

Because it believed it was accessing a work account, the judges said, the firm had not erred.

They dismissed the man's request, saying that it was not "unreasonable that an employer would want to verify that employees were completing their professional tasks during working hours".

Lilian Edwards, a professor of internet law at Strathclyde University, said the judgment was in line with UK law and past cases.

However, she added that blanket bans on personal internet use at work were unreasonable because people retained the right to their own private life even while working.

That was particularly important, she said, as people worked longer hours.

www.bbc.co.uk/news/technology-35301148

Whitehall spend on consultants rises

The Conservative government may be wielding the axe on civil service jobs, but central government spending on outside consultants and temporary staff is creeping back up, according to a new report by the public spending watchdog. Some consultants are on £1,000 a day.

In its latest report, the National Audit Office (NAO) found that departments had "substantially" reduced their spending on consultants and temporary staff (referred to as C&TS by the watchdog) over the last five years, with the 17 main departments spending between £1 billion and £1.3 billon on outside and temporary help last year, down from £2.7 billion in 2009-10. The latest figure is a rise on the £700 million spent in 2011-12 on consultants and temporary staff by departments.

That means that since 2011-12, annual spending on C&TS has gone back up to by between £400 million and £600 million, while departments were reducing their permanent workforce. This pattern suggests there was a short-term reduction rather than a sustainable strategy. And the NAO warned that there would "continue to be upward pressure" on the use of consultants and temporary staff against the backdrop of the latest round of spending cuts.

These figures are an underestimate. The NAO said the totals do not include other areas where consultancy firms are active for example, spending on professional services, management of outsourced services, some legal and financial advice and research.

The NAO warned that the cost of consultants and temporary staff was often "significantly higher than for comparable in-house staff" – estimating that Whitehall pays twice as much to hire a temporary specialist than to employ a permanent official at the equivalent grade.

According to the NAO, there are now more than 47 temporary staff in the civil service on day rates of more than £1,000, compared with just 30 permanent senior civil servants on comparable pay.

The watchdog also found that there remained only "limited competition" for consultancy work, with the big six consultancy firms – PwC, Deloitte, KPMG, Ernst & Young, PA Consulting and McKinsey – scooping three-quarters of the work let through Crown Commercial Service (CCS) agreements. In contrast, small and medium-sized firms are winning only 9% of work through the CCS framework, and 5% of overall civil service consultancy spend.

The government's use of consultants and temporary staff to deliver long-term and highly-complex policy objectives has been criticised by Prospect, the union representing 30,000 specialists and professionals across government and its agencies.

The union's deputy general secretary Garry Graham said: "Relying on consultants to deliver long-term and highly-complex policy objectives is folly – it is not good for government, not good for democratic accountability and not good value for money for the taxpayer."

www.nao.org.uk/press-releases/use-of-consultants-and-temporary-staff/

www.prospect.org.uk/news/id/2016/January/13/Pay-restraint-is-at-heart-civil-service-skills-crisis

Asbestos company smeared campaigners

Secret industry documents have revealed that the world's biggest asbestos factory ran a smear campaign in the 1980s against journalists and campaigners who were trying to expose the deadly consequences of breathing in asbestos dust.

An exclusive report, by Dean Kirby for *The Independent* newspaper, uncovered the historical documents that reveal executives from the asbestos giant, Turner & Newall, spied on journalists and campaigners who were trying to bring to light the dangers of asbestos. The company then launched a covert campaign to brand them communists.

According to *The Independent*, campaigners have called for a full inquiry into the company's activities after accusing it of "decades" of espionage against campaign groups in the UK.

The Rochdale-based asbestos manufacturer Turner & Newall monitored people they considered "subversive" and kept a record of their activities during the 1980s. The executives also secured support from disgraced Cyril Smith, the Liberal then Liberal Democrat MP for Rochdale.

Smith tried to help discredit award-winning documentary makers who planned to reveal to the public how asbestos workers were dying from cancer, during a Yorkshire TV documentary, *Alice: A Fight for Life*. *The Independent* revealed that executives at Turner & Newall also wrote the MP's speech that he made in parliament about asbestos safety.

This was all at a time when the link with asbestos and cancer was well known by politicians and leading doctors. As early as 1898 the government's factory inspectors raised concern about the "evil effects" of asbestos dust and by 1931 a Home Office survey found widespread asbestos-related disease in the UK.

Despite knowledge of the risks, commercial and economic factors took precedent over people's lives and the general public were kept in the dark about the deadly mineral.

The broadcasting of the *Alice* documentary was a major turning point in the fight to highlight the consequences of breathing in asbestos dust. This was despite the efforts of Turner & Newall executives to discredit the film by producing a secret report on the researchers, local asbestos campaigners and industrial injury solicitors – listing their addresses, places they had visited, alleged connections and supposed political affiliations.

The damning documents were discovered in the archives of the now defunct company by Rochdale campaigner and PhD student Jason Addy.

www.independent.co.uk/news/uk/home-news/how-the-worlds-biggest-asbestos-factory-tried-to-stop-campaigners-exposing-the-killer-dusts-dangers-a6798236.html

www.birchallblackburn.co.uk/asbestos-company-wages-smear-campaign-on-journalists-and-campaigners/

Factory output remains weak at end of 2015

Manufacturing output remains weak, latest official figures show.

Factory output grew by 0.5% in the three-month period ending November compared with the previous three-month period, according to the Office for National Statistics. That was an improvement on the 0.3% increase for October – which was revised down from 0.4% — and the 0.4% contraction in the three months to September.

In the latest three-month period, output of coke and refined petroleum products was the driver of the increase, with output up by 10.0% on the previous three-month period. There was a 3.3% increase in pharmaceuticals and 2.0% in transport equipment.

However, there were decreases in ouput of 3.3% in basic metals and 2.6% in computer, electronic and optical products.

Manufacturing output was down by 0.6% on the same three-month period to November a year ago.

The more volatile monthly figures showed a 0.4% decrease in output between October and November.

Output of the production industries (manufacturing, mining and utilities) was up by 0.2% on the previous three-month period, and up by 1.4% on the same period a year earlier.

Nevertheless, in the three-month period to November, production and manufacturing were 9.1% and 6.1% respectively below the levels achieved in the first quarter 2008, before the economic downturn.

www.ons.gov.uk/ons/dcp171778_430068.pdf

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