

Renewal – a two-way process for the 21st century

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Figure 1

Command Party



Appoints



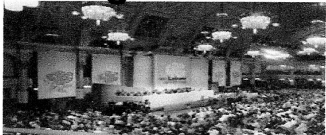
Cabinet

Controls



Parliament

Manages



Party

'Consults'



People

Foreword – Angela Eagle MP

Labour has to renew its financial, organisational and political vigour to secure a fourth term in Government. The loss of four million votes and half of our membership since 1997 sounds the warning bells clearly enough. Political culture is changing and we must respond. The era of Labour as an over centralised ‘command party’ - see Figure 1 opposite - which replaced the chaos of the 1980s with a winning formula, has now become counter-productive. It has bred cynicism and stifled activism. The urgent question now is: What should replace it?



The forthcoming Leader/Deputy Leader elections will help to define this new era for our Party. The LabOUR Commission’s Interim recommendations presented here are based on the findings of the first representative study of Labour Party members’ views since Labour’s landslide victory in 1997. Both lapsed and current members were contacted. A crucial lesson from our research is that Labour in Government has not trusted Party members enough. Our research findings show that the Labour Party has changed. Labour Party members are pragmatic and they want Labour to be in Government. They understand how important it is to win. In return, they expect to be trusted to help shape policies to win support from the communities Labour seeks to serve.

This Interim Report suggests a model of Party organisation which will serve Labour well in the future. As a Party seeking to empower all sections of our society, we know we cannot rely on the kind of mercenary multi-millionaire donors now currently filling Tory party coffers. Labour will always need its activists who go door knocking whatever the weather. Members, both individuals and those from our affiliated organisations, are Labour’s most precious resource. Our interim recommendations should be seen against the background of rising and wasteful election spending on billboard advertising, and remote professional canvassing. That is why all year round election spending limits are essential. This would create a level playing field between the main political parties for the first time in British political history.

As a member of the Labour Party’s National Executive Committee, I know we have it within our power to reinvigorate Labour and remake our Party structures with members at the centre and accountability re-established. People join the Labour Party to change the world and make our society a better place for us all to live in. I hope our Interim Report will provide fresh hope to Labour Party members throughout Britain. Our recommendations show how renewal is possible, and that under new leadership it must be achieved by a genuine dialogue.

May 2007

Executive Summary

1. Labour Party members have told us they want their voice back. After ten years in Government, the Party's future ability to operate as an effective, broadly-based electoral force is in question by both its members and former members. This Interim Report contains evidence that the Leadership's experiment to run Labour on an US-style, command and control basis, ruled from Downing Street has failed.

2. From the outset the LabOUR Commission has seen *mass membership*, and *active citizenship* as central to restoring accountability, party and parliamentary democracy for Labour renewal. An important first step is reaffirming its federal structure and strengthening its internal processes of democracy.

3. Our interim recommendations are based on detailed research with past and existing members, as well as the experience of members of the LabOUR Commission. Our proposals include:

- a) Ending political patronage - starting with abolition of the post of appointed Party Chair, and including interim measures to elect Labour nominations for the House of Lords, pending its further reform
- b) Establishing a Charter of Labour Party Members' Rights, underwritten with the creation of a new post of Party Ombudsman, as part of a comprehensive approach to rebuilding membership and the Party's finances
- c) Extending democracy - adoption of one-minister one-vote procedures for all government places on internal Party bodies, and one-member-one-vote elections (OMOV) for the constituency section places on the National Policy Forum as first steps to restoring open and transparent consultation, and policy making processes

Note to Readers:

'We' refers to the authors of this Report – all of whom are Labour Party members

1. Introduction

“I feel that the Party I joined has been totally hijacked.”

LabOUR Commission Focus Group participant, Cardiff

‘Achieving mass democracy was the great triumph of the 20th century. Learning to live with it will be the great achievement of the 21st century.’

G. Stoker, ‘Immature Democrats’, Prospect, January 2006

- 1.1. Labour swept to power in 1997 on a wave of public optimism about a new politics. It has won a record three successive British General Elections. Power has been devolved to Scotland, Wales and London. Economic stability and prosperity have been sustained ever since. Social injustices – both at home and abroad are being tackled. Health and Education provision has been increased.
- 1.2. Yet Labour has lost over 4 million votes since 1997, more than half of its membership, and is no longer the biggest party in local government.
- 1.3. This Interim Report is the response of a self-selected, but broadly representative group of experienced Labour Party members established in 2005. We have served at all levels in the Party and share a passion for its health, vitality and success. It is our contribution to debate both within our own Party and the country about the future of our democracy. There was no formal mechanism within our Party structures to readily facilitate the work we have undertaken. So we created our own – the LabOUR Commission.
- 1.4. We adopted an evidenced based approach. Prof Stuart Weir of the Democratic Audit, University of Essex was appointed to supervise LabOUR focus groups and LabOUR/YouGov polls of members and former or lapsed members. The focus groups took place in London, Cardiff, Birmingham, Glasgow and Manchester at the end of 2005. The LabOUR/YouGov polls were conducted in June 2006
- 1.5. The purpose of the Focus Groups was to identify issues of current concern to members and former members. Members of the Focus Groups were recruited by Prof Weir and his team from lists supplied by

YouGov. The results were used to design the questionnaires used by YouGov. A total of 670 members and 704 former or lapsed members responded to the LabOUR/YouGov polls between 1 and 6 June 2006. This is the first published study of current and lapsed Labour Party members' views for ten years – both qualitative and quantitative.

- 1.6. The main findings illustrate Labour Party members' commitment to the Party's values and a passionate desire for Labour to remain electable. Professor Weir concluded in his report to the Commission that the Labour Party is radically different from the one in opposition from the end of the 1970s to the late 1980s. We concluded that we belong to a Party, which the Leadership can both trust and needs to work with to win.
- 1.7. We believe that the setbacks faced by the Labour Party have their genesis in an over-centralisation of power in No. 10. They reflect deep-seated and, as we will show, outdated perceptions about the role of Labour Party members.
- 1.8. This Interim Report seeks to kindle that spirit of optimism leading to victory in 1997, and lay the foundations for a modern Party leading the progressive consensus in Britain.
- 1.9. The Labour Commission's aim is set a debate alight, both in the Labour Party and the wider community, about how these cultural and organisational issues can and must be addressed. We are shamelessly partisan; we want to win a fourth term governing Britain for the people. The opportunity starts with the forthcoming Leader/Deputy election.
- 1.10. Most commentators seem to have accepted the notion that individual party membership is in irreversible decline. It is true that the post-war period has seen widespread changes in the nature of political engagement in most Western democracies. However, it is only just over a decade ago that Labour Party membership was still growing.
- 1.11. Moreover, evidence from LabOUR Commission focus groups points to a 'push' of members away from Labour during its decade in Government. For some people, their reasons for leaving were political and directly related to a dislike of specific policy positions decided by Government (the most common cited being the war in Iraq). For many others, there is clear evidence that members felt 'frozen out' of the policy and decision-making machinery of the Party.
- 1.12. Members told us they accepted that the grass roots should play a different role, in terms of policy development, during periods when the Party is in Government than during times of Opposition. The overwhelming perception among members is not simply that the processes that are meant to link the Party's stakeholders to its leadership have become dysfunctional. More fundamentally, there is a widespread belief that the elements of the leadership actively want to see the role of members curtailed and impose a heavily centralised, elitist model, funded by rich individuals and the state.

- 1.13. We do not seek to hark back to some mythical 'golden age' of accountability and democracy in the Labour Party. However, this Report advocates that only the revival and renewal of the Party as a truly democratic, broad-based, mass membership movement of Trade Union, Socialist Society and individual members can ensure its continuing electoral and financial success.
- 1.14. This Interim Report, we believe, points the way forward for Labour renewal. Political activism and single-issue campaign membership is buoyant – and we draw inspiration from the readiness of people to join those organisations, raise money for charity, vote in reality-TV shows, express opinions, sign e-petitions and start blogs. There has been a proliferation of small political parties, sometimes associated with single issues (such as the health service or animal rights). There has also been a mushrooming of single interest groups adopting a range of imaginative strategies to promote their respective causes. These activities are the easier side of the political process. More complex and uplifting are the organised struggles against fascism in which the Labour movement is at the forefront.
- 1.15. The Electoral Commission's latest audit of political engagement published in March 2007 reported: 54% of the public say they are either very or fairly interested in politics, a slight rise on the first audit in 2003 (50%). Interest is higher among men than women (60% : 48%). There were encouraging signs about younger people: 46% of 18 – 34 year olds declared an interest in politics, an eight point increase from the first audit.
- 1.16. The PoWEr Inquiry (2006) reported: The World Values Survey found that the percentage of the British population that had taken part in a demonstration rose from 6 per cent in 1974 to 13 per cent in 2000, and those who had signed a petition rose from 23 per cent to 81 per cent. The organisations making use of such techniques have seen a comparable rise in membership: *Friends of the Earth* has experienced a growth from 1,000 members in 1971 to 119,000 in 2002; *Greenpeace* has risen from 30,000 in 1981 to 221,000 in 2002. Bodies which combine campaigning and advocacy work with leisure-time pursuits have done even better: *The National Trust* has seen its membership grow from 278,000 in 1971 to 3,000,000 in 2002 and the *Royal Society for the Protection of Birds* has enjoyed a growth from 98,000 to 1,200,000 in the same period.
- 1.17. Popular commitment to political causes is reflected also in the huge campaigns to *Make Poverty History*, which had such a powerful impact, and the *Stop the War Coalition*, both with marches throughout the country - testament to the large scale public interest in politics and political questions.
- 1.18. Although Labour's membership base has fallen significantly since 1997, there are very many examples of active and successful local parties. In

the 2006 council elections, Labour's success in Manchester, and the London Boroughs of Lambeth and Hackney could be attributed to effective local campaigning. In those CLPs where local organisation has been sustained, there are still members willing to organise meetings both for debate and business purposes, raise money, stuff envelopes, deliver leaflets and knock on doors.

- 1.19. Our Focus Group research team reported: *There was in all the groups a current obvious pleasure in working alongside like-minded people for common aims. Members spoke of the pleasure in contributing, distributing leaflets while having their "three-penny worth" in debates at meetings, or assisting in local council election victories.*
- 1.20. This has to be seen against the background of a shift in the role of media as evidenced by, for example, FT journalist John Lloyd concluded in his book *What the Media Do to Our Politics*, published by Constable in 2004: *The media now constitute a party of their own. The party cannot speak its name, and at least some of its constituents are unaware of its existence. But the attachment to traditional party or principle has become much less important than the attachment to a party of media power: power over public opinion, in a ceaseless struggle with that other institution that seeks to attract public opinion – politics.* In response to this sort of criticism of the media, the Hansard Society set up a commission under Lord Puttnam, which published a report in 2005 entitled *Members Only? Parliament in the Public Eye*. Its recommendations focussed on the way in which Parliamentary institutions could improve their public image.
- 1.21. But political party membership has continued to decline. For Labour this has inevitably impacted on its finances. This was much less of an issue in the period up to 2005, when income from individual members had been offset by increased levels of funding in donations and loans from rich individuals. At the same time, the costs of election campaigning escalated as Labour sought to compete with its political opponents in the battle for advertising hoardings, and votes in the marginal Parliamentary seats.
- 1.22. In parallel with declining political engagement, there has been a financial 'arms race' between all three mainstream political parties to fund their national campaigns. Electors are withholding their votes, their membership, and their money. Centralised campaigning was at the expense of the Labour Party's foot-soldiers. Professional (i.e. costly) communication methods have replaced personal contact by local volunteers.
- 1.23. Labour introduced the principle of national campaign spending limits to be supervised by the newly established and politically independent Electoral Commission (EC) through the Political Parties, Elections and Referendums Act 2000. But the Conservatives worked their way around

this by very substantial targeted spending in marginal constituencies. Peter Bradley, former Labour MP for The Wrekin, in written evidence to the House of Commons Constitutional Affairs select committee hearings on the Funding of Political Parties, said: *My findings show how expenditure on the local campaign can decisively influence election results in favour of the party with the greatest [financial] resources.* The Conservatives borrowed heavily to fund their 2005 campaign. Labour followed suit.

- 1.24. The latest Inquiry was published in March 2007 by Sir Hayden Phillips, whose terms of reference and appointment were agreed by the Prime Minister in March 2006. His assignment followed revelations about those undisclosed loans raised by both Labour and the Conservatives to fund their 2005 General Election campaigns. His brief included a requirement to seek a consensus about the funding of political parties. But no consensus was achieved around the central issue of how to tackle the sharp rise in General Election spending and the targeting of marginal seats. This issue was highlighted in the Labour Party NEC statement on the Hayden Phillips Report after its meeting on 20 March 2007.
- 1.25. Underlying the terms of reference for the Hayden Phillips Inquiry was an apparent acceptance of the inevitable decline of party political membership. This involved embracing what might be referred to as the *elite party model* in which political parties are run by a few key people and sustained principally by the State. The taxpayer, and a loose network of 'supporters' with little or no power, who would also be mobilised at election time, would provide the bulk of its funds.
- 1.26. This is not a model favoured by the Labour Party, as evidenced by its submission to the Hayden Phillips Inquiry agreed unanimously at the 2006 Annual Conference, and subsequently re-endorsed by an emergency meeting of the Party's National Executive Committee on 14 December 2006.
- 1.27. As in the 18th century parties of pre-democratic Britain, the *elite party model* does not need members. Indeed members are a nuisance, who need to be serviced and managed. Supporters can be called upon at election time to work for the party or its candidates. The role of these supporters is to hibernate between elections. Like US party members they have no role in policy development – that remains the task of the leadership. In an extreme form of the *elite party model*, not even the candidates have a voice in policy development, though if elected they may have a role in policy implementation.
- 1.28. There is a need for caution regard the Hayden Phillips Inquiry lest the current demand for party funding reform further reinforce, rather than challenge, moves in the direction of an *elite party model*. The Labour Party NEC, as referred to above, has already highlighted the need to cap spending.

- 1.29. An alternative approach – and the one that informs this Report – is to take on these developments by adapting and developing the idea of the *democratic party model* for the future. In this model, political parties serve the interests of their members and the country as a whole, rather than their leaders. Leaders of political parties are accountable to their members, as well as the electorate. In other words, it means empowering members in order to encourage people to join and remain in membership of the political parties. This involves members taking part in Labour Party activities – from candidate selection, to policy development, to choice of leader.
- 1.30. The idea of the representative political party is based on the premise that political parties are essential for the health and welfare of democracy itself. The *democratic party model* has implications not only for the way in which the parties are governed and administered, but also for the role of independent regulators.
- 1.31. Our evidence supports the *democratic party model* - the LabOUR/YouGov poll results show that there is a marked contrast between the expectations of Labour Party members in the UK and the conventional stereotypes of membership of, for example, the US Democratic Party. British Labour Party members expect a say. This was the expectation of 96% of current members. This was also what former members said. In this sense, the Labour Party membership is far closer to the best European Social Democratic Party models with a strong emphasis on policy inclusion and being rooted in local communities.

2. Labour's cultural crisis

“[In opposition] they were really into let’s build this mass active party and reconnect the Labour Party, and then when you get into government, oh well....”

LabOUR Commission Focus Group participant, London

- 2.1. The extent of the challenge facing Labour should not be underestimated. Underlying the loss of votes, seats and members is a profound cultural crisis arising from the side lining of Party democracy by centralised command and control. Our purpose is not to provide an exhaustive account of this malpractice, but to illustrate how the Party is currently organised and makes policy. In this section we highlight by way of example what has been done in our name and what must stop.
- 2.2. In our initial research based on focus groups the LabOUR Commission's team concluded: *“Participants recognised the obstacles to achieving more, but felt that the government failed to measure up to the opportunities that the euphoric electoral win in 1997 offered. They lamented the loss of ideals and “big” ideas in politics in general and were unhappy with the government’s pronounced managerial emphasis... ..There was huge disillusion with the attitude of the Party’s leaders and the Prime Minister and his government towards the Party’s membership. It was not simply that the government ignored the Party’s views: that was a historic reality. It was strongly felt that the Party hierarchy had a condescending and even contemptuous attitude to the Party and the members, seeking to manipulate them rather than consult and work with them as equals. The resentments of members seem to indicate that the Party’s more professional approach from the centre, drawing as it does on modern techniques for shaping opinion and morale and fund raising, does not work with committed and relatively knowledgeable members, especially when there is a gulf between their beliefs and what is done “in their name”.*

Figure 2 – Labour in Government - Organisation

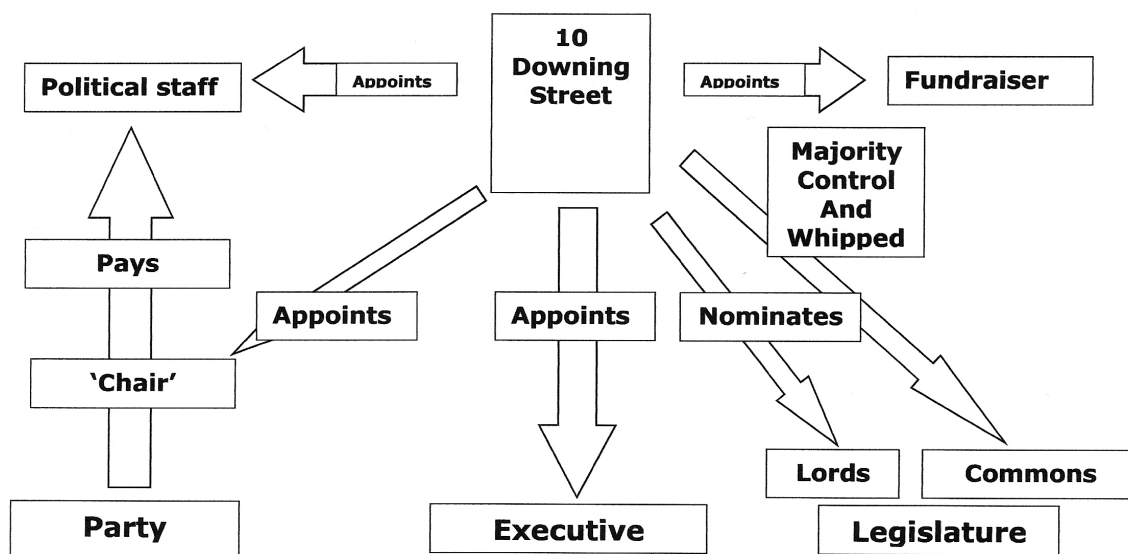
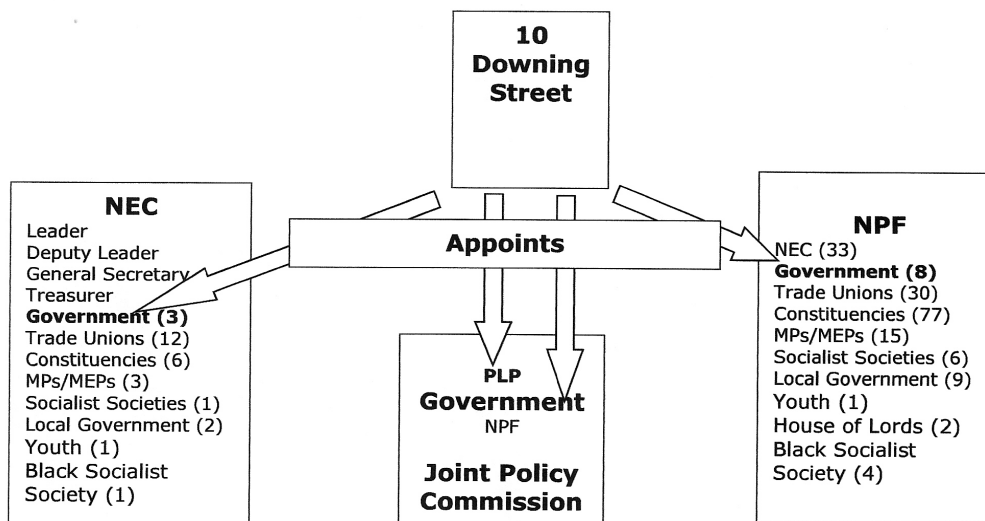


Figure 3 – No 10 Appointees to Partnership in Power bodies



- 2.3. Battles on the Conference floor between the Leadership and conference delegates over resolutions formulating policy were meant to be a thing of the past under *Partnership in Power* agreed at the 1997 Annual Conference. This heralded a new method of Party policy-making by delegates elected from the different sections of the Party's federal structure engaging in a rolling programme of policy deliberation and debate throughout the period between General Elections.
- 2.4. As we set out in Section 6 *Partnership in Power* these new arrangements have effectively broken down. Growing mistrust between No. 10 and Party members in general and the affiliated Trade Unions, in particular, are reflected in extraordinary measures now being taken by government, and Party officials to control Party business. But the 'command party' structures are still in place as shown in Figures 2 and 3 opposite.
- 2.5. Annual Conference has once again become a focus for dissent through the tabling of what are known as Contemporary and Emergency resolutions. The affiliated Trades Unions (TUs) have developed a highly effective method of coordinating challenges to government policy through the Trades Union and Labour Party Liaison Organisation (TULO) set up within the Party Constitution in 1993.
- 2.6. Under *Partnership in Power*, a limit of four Contemporary Motions (i.e. resolutions about current events that were so recent that they could not have been considered by the Policy Commissions or the National Policy Forum in time for Conference) was agreed. This was to ensure the Annual Conference could focus on policy debate around National Policy Forum (NPF) reports. Coordinated action by the Trades Unions to table Contemporary Motions inadvertently squeezed out Contemporary Motions from Constituency Labour Parties (CLPs). To redress that a Rule change was agreed at Annual Conference 2003 to provide agenda space for four additional Contemporary Resolutions to be voted for by CLP delegates to Conference. This created scope for 4 plus 4 Contemporary Resolutions. The theory was to give the TUs and the CLPs equal opportunity to table such resolutions at Conference. In practice new scope for central control was opened up through the influence of ministers and Party officials over CLP Conference delegates.
- 2.7. Four examples of top-down Party management suffice to illustrate the urgent need for a massive cultural shift if the Party is to recover to win a fourth term:
- a) The role of the NEC at Conference - under the Constitution the National Executive Committee at Conference meets daily to agree its position on the day's business. At the 2005 Annual Conference, the first after Labour won a third-term in government, the Leadership knew it would be defeated over a series of key policy votes by the NEC itself. To avoid this the then appointed Chair, Ian McCartney, proposed that the NEC adjourn. This was achieved, according to contemporaneous accounts, by a deal with the heads

of the TU delegations to help protect the Warwick agreement concluded by the government with the TUs ahead of the 2005 General Election. Conference was left rudderless in the interests of Party unity.

The failure of the NEC to meet for the rest of the 2005 Annual Conference to agree a position on remaining business was unprecedented. It represented a serious breakdown in the governance of the Party's policy-making processes. Only finely targeted research among Conference delegates would expose the impact of this manipulation of due process on the Party's capacity to recruit and retain members. Ann Black, a constituency section member of the NEC, reported on her website after the 2005 Annual Conference: *We may have adopted a new rule [sic] that the NEC can never differ from the government. If we cannot have open debate immediately after a general election, we will certainly not be allowed to have it as the next one approaches.*

“The whole manipulation of conference is just a demonstration of power being controlled by a small number of people”

LabOUR Commission Focus Group participant, Manchester

- b) The role of Party Staff at Conference – from our direct knowledge we are aware that Party staff grade Conference delegates according to their loyalty to the leadership. CLP delegates are briefed at regional meetings prior to Conference. Despite the 4+4 rule, CLP delegates are encouraged to vote for TU Contemporary Resolutions in the Priorities Ballot on the first day of Conference, even though every CLP delegate vote for a TU resolution is a wasted vote. ‘Guidance’ is offered by Party Staff about voting for Party committees. New delegates are particularly prone to misinformation, including ‘guidance’ that it is a breach of Party Rules for a CLP delegate to vote against the NEC recommendation at Conference. In the same 2005 unofficial Annual Conference report cited above, Ann Black went on the record stating: *Sadly yet again there were reports about harassment of constituency delegates. Particularly serious were those relating to the election of Party committees, where the code of conduct states that Party staff will not use or abuse their position, Party resources or time in the process of an internal selection or election so as to further the interests of themselves or their personal preferred candidate(s).*

*One regional officer admitted that he asked delegates how they were intending to vote in the conference arrangements committee election, and when I asked him why, he said: "It's part of my job." Speakers in debates are allegedly selected on the basis of known views, and speeches prepared by Party Staff. Provisions for suppressing dissent from the floor of Annual Conference were exposed by the Walter Wolfgang affair in 2005. *In extremis*, the Conference rostrum microphone is turned off, as happened to Unison General Secretary, Dave Prentis at the 2006 Annual Conference.*

- c) The role of Government ministers in fixing policy outcomes – this was vividly illustrated during the LabOUR Commission Focus Group research by a questionnaire issued on the Labour Party website on 4 November 2005 in the name of the then Home Secretary, Charles Clarke. The LabOUR Commission research team reported: *There was almost universal outrage about Charles Clark's infamous consultation exercise [about terrorism] which was mocked in four out of the five focus groups. However, the outrage was the greater as the Clarke gaffe was seen as symbolic of the Party's whole approach to its members and part of a "control" culture that was inappropriate in the Party's dealings with members.* Although Clarke took the political flak for this *debacle*, we know that he was unaware personally of what was being put into the public domain in his name. Recent examples include the issue of debating possible Trident replacement. Creating a new, inclusive, open and pluralist culture requires prompt and decisive action by the NEC and the Conference Arrangements Committee (CAC) in their preparations for the 2007 Annual Conference.
- d) Embracing new technology - Not only has the Party's culture since 1997 resulted in a declining and demoralised membership; it is entirely at odds with the revolutionary changes going on in society. The proliferation of new technologies in the 21st century has led to rising consumer control, combined with the death of deference and a surge of mass self-expression. This new democracy is a good thing. It is challenging our existing sources of authority, in the media and in politics, and so it should. Labour, like most political parties, has been slow to realise that in a bottom-up age, a top-down politics is unsustainable. The days when Party leaderships and Governments handed down decisions from on high is long over. Whilst, the Labour Party's website has been vastly improved to include member's forums and blogs, there is still inadequate opportunity for open debate. For instance, forum area allows only discussion within individual CLPs rather than between members of different parts of the country. Another example of excessive central control is that members are limited in the number of emails they can send to other Party members via the site to a mere 20 each week.

We would call for recognition on the part of the Leadership and Party HQ that command and control is finished. The Party should seize the opportunity offered by new technology now to provide a clear audit trail of all consultations – whether on policy or Party issues – in which all views are shared and debated in real time.

2.8. Summary of recommendations

- a) The Leader/Deputy candidates should be challenged in their campaigns to define what sort of Party they wish to lead
- b) In any event, the British, Scottish and Welsh NECs and CACs need to signal their intention to change the Party's culture as soon as possible
- c) Secure the democracy dividend offered by embracing web-based communications subject to the usual constraints of the law and good name of the Party

3. Labour – a membership organisation with values

*“I first joined the Labour Party
because it stood for fairness
and justice, redistribution
of wealth and democracy.”*

LabOUR Commission Focus Group participant, Birmingham

- 3.1. Membership of a political party is a must for people aspiring to influence directly the way we are governed. Putting an 'X' or a numbered preference '1,2,3...' on a ballot paper is only a small part of just one of the processes of everyday party politics. The Labour Party renewed its organisation and rules after the 1997 election victory to emphasise the joint working between the Party locally, nationally and in Parliament. This was called *Partnership in Power* – which heralded a bottom-up rolling process for developing new policies. These included local and national policy forums leading to a manifesto, alongside an ongoing dialogue between the Party in Government and the Party in the country.
- 3.2. The Leadership - Labour's Leader and Deputy Leader are elected by an electoral college comprising a third Party members, a third affiliated members (mainly trade unions) and a third MPs and MEPs. All sections are elected by one member, one vote (OMOV) secret ballots. Only Labour MPs can stand and must receive the nominations of at least 12.5% of their colleagues. The Party Rule Book provides for the circulation of nomination papers for the Leader/Deputy to Party units before each Annual Conference. This has not been done since 1996. Attempts by CLPs to reinstate this practice at the 2006 Annual Conference were ruled out of order by the Conference Arrangements Committee.
- 3.3. Annual Party Conference is the sovereign policy making body of the Labour Party. This restatement of the role of Conference was set out in the Review of *Partnership in Power* presented to Conference by the NEC in 2005. It receives reports from the Parliamentary Party (the Leader's speech), the NEC and NPF. It considers rule changes and debates policy proposals from the NPF and other contemporary issues. Policy decisions of Conference do not mandate Labour MPs (or other public representatives). But, if carried with a two-thirds majority of Conference delegates, they should be considered for the next General Election manifesto. Delegates attend Conference from CLPs and affiliated

organisations and voting is by Electoral College with 50% CLPs, 50% affiliates. The Party's annual meeting also elects some sections of the National Executive Committee (NEC), as well as members of the National Policy Forum (NPF), Conference Arrangements Committee (CAC) and National Constitutional Committee (NCC).

- 3.4. National Executive Committee (NEC) is the management body of the Party, which since the introduction of *Partnership in Power* has been responsible for Party organisation rather than policy formation. It comprises the Leader, Deputy Leader, Treasurer, six local Party representatives elected by OMOV, twelve from the affiliated trade unions, one from Socialist Societies, two from local government, three from Parliamentary (MPs and MEPs), one from Young Labour, one from the newly constituted Black Socialist Society and three Government representatives. The NEC manages the Party finances and organisation and is the custodian of the Party's constitution. Local parties and Party regions, Scotland and Wales are encouraged to have local policy forums to feed into this process.
- 3.5. The National Policy Forum (NPF) has 184 members (55 elected by constituency delegates at annual conference; 22 elected by regional boards/conferences; 30 from the trade unions; nine MPs; six MEPs; eight ministers; three from socialist societies; three from the Co-op Party; four from the Black Socialist Society; nine from local government; two members of the House of Lords; one Labour Student; and the 33 members of the National Executive Committee). It had been meeting two or three times a year. Between NPF meetings all work is carried out by six policy commissions: Britain in the World, Creating Sustainable Communities – covering housing, environment, local government, transport, the regions, culture, media, sport, Crime, Justice, Citizenship and Equalities Education and Skills and Prosperity and Work – combining the economy, and trade and industry.
- 3.6. Joint Policy Commission (JPC) has strategic oversight of policy development is undertaken by the JPC. Chaired by the Prime Minister, the JPC is made up of members of government, the PLP (nominated by No 10), the National Executive Committee (NEC) and the NPF. It provides a link with all sections of the Party, steering the NPF's work, setting priorities and debates. It co-ordinates the NPF and policy commissions.
- 3.7. Parliamentary Labour Party (PLP) comprises all Labour MPs (currently 354 out of a total of 646) and co-ordinates the Party in Parliament. Labour peers (currently 211 out of 746) are part of the PLP but without votes. In opposition, it elects the Shadow Cabinet annually, but in Government, the Leader/Prime Minister chooses the Cabinet and the PLP elects a smaller Parliamentary Committee to liaise with the PM, Party and manage PLP affairs. Before an election, local parties select Parliamentary Candidates in every constituency using an OMOV ballot of

all Party members in the constituency following nominations by Branches and affiliated organisations and short listing by the Constituency Labour Party General Committee (see below). Sitting MPs who are re-standing have been able to be automatically selected subject to a trigger vote at all Branches since the 2001 election.

- 3.8. Local Parties - the main local party is the Constituency Labour Party (CLP), comprising all members and affiliated organisations (usually the local Co-op Party and some trade union branches). The CLP organises members into a number of geographical branches usually reflecting electoral 'wards'. The Branch Party involves all members in that area and is the basic unit charged with promoting the Party in the local community and engaging with the community. In some instances a local government ward is co-terminous with a Branch, in others a Branch may combine a number of local authority wards. Branch parties (or members within a ward if smaller) will select candidates to be Labour councillors. Most CLPs comprise four to 10 Branches. CLPs are managed by a General Committee (GC) elected from Branches and affiliated organisations with an Executive Committee (EC) that will oversee finance and administration. The CLP will select the Parliamentary Candidate, hear reports from Labour representatives (MP, MSP/AM, MEP, councillors etc.) and co-ordinate policy debate, campaigning and electioneering.
- 3.9. Affiliated Organisations comprise the Co-op Party, affiliated trade unions and socialist societies approved by the NEC such as the Fabian Society, Labour Students, Labour Clubs, and SERA (formerly the Socialist Environmental Research Association). They must affiliate nationally, but can also affiliate regionally and locally, where they should affiliate on the basis of the number of members they have paying the political levy in that region or constituency. There are some three million members of affiliated organisations.
- 3.10. Regions - the Party organises in Scotland, Wales and the nine English regions. In Scotland, Wales and London, the Regional Parties are responsible for liaison with Members of the Scottish Parliament (MSPs), Members of the Welsh Assembly and the Greater London Authority (AMs), and Mayor of London. The Regional Parties are also responsible for overseeing selection of candidates for elected office and policy for the devolved bodies. In all regions, Regional Boards liaise with the regional team of Labour MEPs and generally promote the Party in the region. Regions are also a key organising unit for the Party HQ with Regional Directors and teams of staff.
- 3.11. Local Government - Labour representation in local government has fallen to fewer than 7,000 councillors going into the May 2007 elections, compared with over 10,000 in 1997. Local councillors are often the main face of the Party locally – they sit on Parish, Unitary, County, District, London Borough and Metropolitan or City authorities. Labour councillors on a council form a 'Labour Group' registered with the council. The

Group elects its officers and makes nominations for civic office (e.g. Mayor, council Leader etc.). There is a Party Local Government Committee (LGC) for each council area comprising delegates from the relevant CLPs. The LGC is responsible for liaison with the Labour Group, development of the manifesto, co-ordination of candidate selection (including drawing up a panel of candidates) and the local election campaign. Candidates for council are selected by meetings of all members for their ward (normally the Branch), and for the directly elected Mayors by an OMOV ballot across the whole council area.

Clause IV – Aims and values

While highly controversial when adopted following extensive consultation in 1995, the new Clause IV won overwhelming support within the Party and became symbolic of Labour's modernisation – embracing the concept that sustainable economic prosperity underpinned by a market economy could go hand in hand with a commitment to social justice.

Clause IV reads:

1 The Labour Party is a democratic socialist party. It believes that by the strength of our common endeavour we achieve more than we achieve alone, so as to create for each of us the means to realise our true potential and for all of us a community in which power, wealth and opportunity are in the hands of the many not the few; where the rights we enjoy reflect the duties we owe and where we live together freely, in a spirit of solidarity, tolerance and respect.

2 To these ends we work for:

- (a) A DYNAMIC ECONOMY, serving the public interest, in which the enterprise of the market and the rigour of competition are joined with the forces of partnership and co-operation to produce the wealth the nation needs and the opportunity for all to work and prosper with a thriving private sector and high-quality public services where those undertakings essential to the common good are either owned by the public or accountable to them
- (b) A JUST SOCIETY, which judges its strength by the condition of the weak as much as the strong, provides security against fear, and justice at work; which nurtures families, promotes equality of opportunity, and delivers people from the tyranny of poverty, prejudice and the abuse of power
- (c) AN OPEN DEMOCRACY, in which government is held to account by the people, decisions are taken as far as practicable by the communities they affect and where fundamental human rights are guaranteed
- (d) A HEALTHY ENVIRONMENT, which we protect, enhance and hold in trust for future generations.

3 Labour is committed to the defence and security of the British people and to cooperating in European institutions, the United Nations, the Commonwealth and other international bodies to secure peace, freedom, democracy, economic security and environmental protection for all.

4 Labour shall work in pursuit of these aims with trade unions and co-operative societies and also with voluntary organisations, consumer groups and other representative bodies.

5 On the basis of these principles, Labour seeks the trust of the people to govern.

Source: Labour Party Rule Book, 2006

4. Labour renewal – the foundations

*“I believe now is the time
that people should be joining
the Labour Party”*

LabOUR Commission Focus Group, Manchester

- 4.1. The LabOUR Commission agreed the following aims at its second meeting in June 2005:
- a) To foster a dynamic, high membership and successful Labour Party that is rooted in and representative of our communities and has ownership of a shared vision, programme and policy framework
 - b) To promote active democratic participation in all areas of the Labour Party and civic society, based on Labour’s democratic socialist values and guided by the principles of transparency, honesty, integrity, accountability and equity
- 4.2. During the first phase of its work, the LabOUR Commission accepted the Labour Values as set out in its Constitution. But we considered that the 21st century Labour Party should be organised around the following key principles:
- a) A broad based Party requiring an active programme of recruitment and retention of members, to reverse the decline in individual membership since 1997
 - b) Respect for the unique federal structure of the Party comprising individual membership and collective membership, which brings together CLPs and affiliates in an organisation greater than the sum of its parts, and their rights as set out in the proposed Charter
 - c) Ethical, responsible and accountable Party government and administration, in which decisions are taken democratically and whose adopted practices are in accordance with both the letter and the spirit of the law and respected by its Leadership
 - d) Transparent Party government and administration whereby Party members have the right of access to information held by the Party, subject to normal exceptions relating to confidentiality and data protection
 - e) Fairness in Party government and administration whereby those who serve the Party or represent the Party must conduct themselves consistently with their duty to the Party as a whole, as well as the leadership for the time being

- 4.3. Lessons from 1987 to 1997 - Particularly important to the renewal agenda are the lessons about the roles of Leadership, individual motivation and opposition to a prolonged period of Tory rule, that enabled the Party during this period to expand its membership. The factors at work then were a necessary, but evidently not sufficient, condition to realise the stated ambition of achieving a paid-up membership of one million. The prolonged process of making Labour re-electable revived interest in Labour Party membership. The architects of the 'New Labour Project', Tony Blair and Gordon Brown, created a real sense of public excitement about politics, which was reflected in the membership figures in the mid-1990s. We believe that the renewal of interest in membership of the Labour Party following the defeat and expulsion of Militant from 1985 has some lessons for renewal now. It is evident from membership data that it was possible to recruit in this period.
- 4.4. Why do people join the Labour Party? In our initial research based on focus groups the LabOUR Commission's team concluded: *Participants in the focus groups became and largely remained members of the Labour Party because they believed broadly in social justice and equality. The Party provided a community of shared belief and a vehicle for realising their beliefs in action, at national and local level. They almost all found satisfaction in "belonging" to this community and the sociable aspects of working together for the Party. Those who were active in distributing leaflets and canvassing prized the contacts they had with the public through this activity. Participants wanted a Party that was rooted in the community and there was a general sense of loss that the Party no longer belonged to a wider community. "It was because it stood for fairness and justice, redistribution of wealth and democracy. It stood for values I believed in and I was very impressed by its history" (Birmingham). "I was working with young homeless people and I felt very strongly about inequalities" (Manchester) "Because it's the only Party I feel expresses my opinions." (London). "I joined through getting galvanised by a miners' strike and being involved in pressure groups which is similar to the anti-apartheid movement who used the same means" (Glasgow).*
- 4.5. The LabOUR/YouGov polls showed that from a choice of three reasons 58% of respondents said 'I wanted to join like-minded people who shared my ideals and hopes, 49% said 'I am a socialist and I wanted to join a party that would put my aspirations into practice and 41% said 'I wanted to keep the Tories out'. These were the predominant reasons by a significant margin. The results were very similar for lapsed members.
- 4.6. Why do people leave the Labour Party? In our initial research based on focus groups the LabOUR Commission's team concluded: *Those who resign tend to be idealistic members who became increasingly disillusioned with government policies - "the contradictions between*

Labour rhetoric and what its aims actually were” - “lies and dishonesty”, private-public partnerships (especially in the NHS), the “heavy-handed approach” to justice, triangulation manoeuvres designed to outflank the Tories, the marginal status of human rights and equality, the lack of democracy in the Party. The Iraq war was unquestionably the “big thing” and Tony Blair and his support for George Bush became a major issue for dissatisfied members. But dissatisfaction ranged wider. A former Labour Party aide explained, “I think the Liberal Democrats offered a policy which was more in line with my thinking.” A Manchester leaver said, “I don’t see [Labour] as being a crusade for social justice, which is what I want to get involved with.”

- 4.7. The LabOUR/YouGov poll of lapsed members asked respondents to tick up to four reasons for leaving. These included 'General Disillusion with overall performance' - 34%, 'General disillusion with the Party's inability to assert policies and ideas on the Labour government' – 24%, 'Subservience to a right-wing US President' 19%, 'Authoritarian policies that curb civil liberties' – 15%, objections to 'badly thought-out reforms of state schools' – 10%, and 'badly thought-out reforms of the health service' – 9%.
- 4.8. Lessons from 1997 to 2006 - the outgoing Leadership has offered a variety of explanations for the decline in membership since that historic victory in 1997. This cannot be shrugged off as a mere consequence of being in government. That's old politics. We believe that Labour Party membership and the challenges of retention and recruitment are important contributors to securing power through the ballot box. This is evidenced by the overwhelming interest in having a say in policy-making expressed in the LabOUR/YouGov polls.
- 4.9. To date, Labour has avoided the scale of the cycle of decline of the Conservatives in local government and activism in the 1980s and 1990s. But a process of decline has started for Labour, which must be reversed.
- 4.10. In our initial research based on focus groups the LabOUR Commission's team concluded: *There was huge disillusion with the attitude of the Party’s leaders and the Prime Minister and his government towards the Party’s membership. It was not simply that the government ignored the Party’s views: that was a historic reality. It was strongly felt that the Party hierarchy had a condescending and even contemptuous attitude to the Party and the members, seeking to manipulate them rather than consult and work with them as equals.*
- 4.11. The LabOUR/YouGov polls of both members showed that 64% of respondents thought that the Leadership did not trust them enough to involve them fully in Party decision and policy making. The percentage of lapsed members who thought the same was even higher at 81%.
- 4.12. The role of the Trade Unions (TU) and their members in the Party - there has been a campaign to redefine the role of the Trade Unions as a

integral part of the Labour Party since the early days of the New Labour Project. This was set out in the writings of Peter Mandelson and former SDP member Roger Liddle in the mid 1990s. Their goal was to end the role of the TUs in the federal structure of the Labour Party and rebuild around individual membership alone. The latest attempt by the Leadership to end the 'TU Link' became evident in the debate prompted by the establishment of the Hayden Phillips Inquiry. This triggered widespread support for the Party's federal structure adopted in 1918 and was set out in the Labour Party's submission to the Hayden Phillips Inquiry into Party Funding.

- 4.13. In our initial research based on focus groups the LabOUR Commission's research team asked: *Is the trade union link beneficial to the Party? There was general agreement in the groups that the Party benefits from the links with affiliated trade unions, not just in terms of finance and "foot soldiers" at election time, but from being more rooted in organised labour and ordinary people.*
- 4.14. The quantitative research arising from the LabOUR/YouGov polls showed that both among members and former members, those who were also members of trade unions affiliated to the Labour Party were likely to be very active (31%), compared with 20% of members as a whole, and less likely to be inactive (20%) compared with 28% of members generally.
- 4.15. This research also highlights that members with an affiliated TU link were nearly 50% more likely to have remained in membership out of loyalty to the Party. Clearly, the relationship is critical to the Party's values and heritage. We see affiliation as a means of expanding membership by engaging with single issue groups, that share our values. We recognise that there is a need for better political education to foster a deeper understanding among the public about the role of collective organisation, party politics and the history of the Labour movement.
- 4.16. The Party on the ground – people with loyalty and values - the LabOUR/YouGov polls showed 58% of current members hold ideals and values and joined to find kindred spirits to get those ideals transformed into government policies for the benefit of the wider community. 49% described themselves as a 'Socialist'. Little difference was detected when comparing these results with those of former members. The new Clause IV adopted in 1995 had some impact on membership growth in the mid-1990s being cited as a factor for joining by 15% of current members, but it has not been a durable retention factor. Clause IV was cited as their reason for joining by 10% of members who have now left the Party. We consider that the values set out in Clause IV when read in its entirety remain a vital reference point for judging Labour in government both now and in the future. Members have a strong set of values and purpose. They expect them to be reflected in policy.

- 4.17. There was no evidence either in the initial Focus Group work or the quantitative analysis to suggest that Labour members or former members expect Labour in Government to follow Party diktat.
- 4.18. In our initial research based on focus groups the LabOUR Commission's team concluded: *They generally saw a distinct difference between the Party and the Labour government. Being in the Party was for most a long-term commitment that would survive the Labour government. There was general agreement that the public was increasingly alienated by politics and some acknowledgement that the Party and party politics were in decline, but little sense of any major crisis over the Party's future. There was general satisfaction with the government's overall achievements even though these fell short of their own aspirations and beliefs and there were sharp complaints about specific policies and trends, especially over privatisation. Participants recognised the obstacles to achieving more, but felt that the government failed to measure up to the opportunities that the euphoric electoral win in 1997 offered. They lamented the loss of ideals and "big" ideas in politics in general and were unhappy with the government's pronounced managerial emphasis. The decision to take part in the invasion of Iraq profoundly rocked the Party and shook the commitment of even the most loyal. Many of those who had left the Party did so over Iraq and for them it was a bitter watershed for which they blamed Tony Blair. The pull of the Party is strong and participants who had left the Party often wanted to re-join, but said that they would not do so while Blair remained leader.*
- 4.19. However, the LabOUR/YouGov polls highlighted the extent of member loyalty to the Leadership, despite the gulf over policy making and Labour values. The Labour Party is not in meltdown. That was evidenced in the LabOUR/YouGov poll results of members and former members asked about when the current Leader should stand down, and whether he should decide himself or be pushed.
- 4.20. Of the 66% of members in the LabOUR/YouGov poll said Mr Blair should choose when to stand down, 37% said before the 2006 Annual Conference and 34% said before the 2007 Annual Conference. Among lapsed members, 50% of respondents said Labour MPs should decide when to insist on a contest, with 40% agreeing that Mr Blair should choose when to stand down. On timing, 54% of lapsed members said he should have stood down before the 2006 Annual Conference, with 23% of respondents saying before the 2007 event. In both cases a majority of over 70% of respondents said that the current Leader should have resigned before the 2007 Annual Conference, as indeed the Prime Minister has since indicated he will.
- 4.21. The Party on the ground – where will the Party turn to rebuild? In the LabOUR/YouGov polls respondents were asked: who has influence in the Party under the current Leadership? The overwhelming majority of current members (75%) said 'wealthy donors'. Next most influential were

not Labour MPs, but civil servants (64%). Backbench MPs, i.e. Labour MPs not holding government office, were thought to have some influence by 50% of members, while Trade Unions came close behind believed by 49% of members to have 'some say'. Last in line were local members who were thought to have some say by only 24% of members polled. We believe that this perception is politically dangerous for the new Leadership. We consider that people who are active in their local communities are bound to question the value of contributing to Labour Party policy consultations, if only 24% of Labour Party members polled think they have any influence over policy-making.

- 4.22. There are signs of some recognition on the part of the current General Secretary and appointed Party Chair that the Party is going to have to change by reaching out to both to members and the wider community. A review of *Partnership in Power* following some consultation inside the Party was presented to the 2005 Annual Conference. This followed the *Big Conversation* exercise launched in 2003, which proved to be another casualty of the Iraq War. Indeed, no opposition to the war voiced through that consultative mechanism was ever posted on the *Big Conversation* website. Nor was the 2005 review put back to the Party on the Ground for further consultation and decision. Instead, another top-down initiative was launched at the 2006 Spring Conference. It included a new web-based facility called *Let's Talk* and the offer of personal web space for members on eMail, to which new features were added in February 2007, just ahead of the Annual Youth Conference in Glasgow.
- 4.23. Are Supporters a substitute for Members? The main feature of the proposals launched at the 2006 Spring Conference was the *Labour Supporters' Network* (LSN). On the Labour Party website the only 'required' information on the registration form that has to be filled in is an eMail address. In the LabOUR/YouGov polls members and former members were asked whether this was a good recruitment device. 51% of members said – Yes. But 32% said that they viewed the initiative 'As a precedent that might undermine the point of membership'. Lapsed members were less convinced of the scheme 'As a good way of drawing people into the Party' 37 % said – Yes. 37% of former members were inclined to see the LSN as a precedent undermining membership.
- 4.24. We know from experience either as lay members, paid officials, or candidates for elected public office that 'supporters' are important sources of voluntary help especially during elections. But when members were asked how much say supporters should have in the Party's affairs, 54% said – none. Access to Labour Supporters' Network lists now provided to constituency Labour Parties on request has shown the lists to be of variable quality. They require local knowledge to weed out duplicate and sometimes, according to anecdotal accounts, mischievous registrations allegedly by Labour's political opponents.
- 4.25. Members as assets - The first set of the questions asked in the

LabOUR/YouGov polls provided respondents with opportunities to reveal information about themselves. 47% said they were also active in other campaigning organisations, as well as being Labour Party members. We believe this is further evidence of the need for the new Leadership and Party Head Office to treat members as assets rather than liabilities.

- 4.26. We are of the view that reinforcing the message about political parties being indispensable to our democratic way of life is a vital task on the renewal agenda. British political culture has increasingly marginalised or excluded party politics from civic life. The 'fetish' of so-called independent appointments to Quangos threatens to take politicians out of politics and gives the public the impression that political activism is disreputable. We believe the connections between progressive society and the institutions able to effect change – namely political parties - need to be rebuilt. That will not be achieved by treating people as eMail addresses to which received Labour Party policy made in Whitehall and Westminster can be sent.
- 4.27. Achieving membership recruitment and retention requires a two-way process to be instituted. All members and prospective members need to see their membership as an act of citizenship. Members must feel valued and that they are at the centre of the Party.
- 4.28. A core function of the role of Leader must therefore be to retain and recruit members, as well as win elections at every level of government. Our Party Officers both elected and appointed must serve members, not seek to manage or manipulate them. There is now an opportunity in the wake of the LabOUR/YouGov findings to learn from the mistaken view that the 21st century Labour Party would be a rallying organisation for elitist, professional politicians.
- 4.29. This will require further work to identify best practice in Labour Party units from branches up to enable a detailed work programme for improving skills in recruitment and retention to be put to the NEC and subsequently to Annual Conference.
- 4.30. Summary of Recommendations
- a) Individual and affiliated paid membership should remain the basis of participation in the Labour Party
 - b) Supporters should be welcomed as a valuable source of voluntary help and financial donations. They should join the Party if they want a say in deciding policy, or participating in internal Party elections
 - c) Explicit commitment from the Leader/Deputy contestants to the current federal structure to help the Party reunite in its present form to win a fourth term

5. Party Membership – steps to full empowerment

*“We’ve got to avoid this idea
that there’s a kind of quick fix,
or a new structure, or a new
way of doing things”*

LabOUR Commission Focus Group participant, London

- 5.1. Membership of the Labour Party is governed by its Constitution. Rights include the opportunity to discuss, debate and vote on policy, to nominate and to select candidates for both public and Party office, including Party Leader.
- 5.2. Under Britain's unwritten constitution, this means that when Labour is in government, Labour Party members may have an opportunity to choose the next Prime Minister, if a vacancy occurs as it is expected to in 2007.
- 5.3. This would apply to whichever of the mainstream British political parties is in power. Conservatives and Liberal-Democrats both provide members with the right to elect their party leaders, whether the vacancy occurs in Government or Opposition.
- 5.4. Both Opposition parties managed dignified Leadership elections in 2005 and 2006, encouraging debate among their members about the sort of party they wanted. They elected their new leaders accordingly. This was after threats in both the Conservative and Liberal-Democrat Parties to bypass the rights and wishes of their paid up members, who successfully fought back and retained that right.
- 5.5. Labour faces an even bigger challenge, as it approaches its own Leadership election while in government. The forthcoming Leader/Deputy Leader election provides the candidates with the opportunity to set out their visions of the 21st century Party and members to decide which they prefer.
- 5.6. The LabOUR Commission sees the Leader/Deputy election as an opportunity for all the candidates to unite around a common vision of the Party.
- 5.7. We urge candidates to support clearly and unequivocally the federal structure of the Party, and the need to rebuild a mass and empowered membership to win forthcoming elections. This will mean firmly closing the door on those seeking to undermine the Party's federal structure, in particular its links with trade unions, and the substitution of non-paying

supporters for paying members.

- 5.8. The Party will need to be ready with the forward looking arguments highlighting why Labour's new leader will have an entirely positive view of Party membership. It is equally important that the new Leader picks advisers who share those views, and that there is a clear separation of the functions of Labour in Government and the Party HQ.
- 5.9. There was a period following the death of Party Leader John Smith in 1994 when there was a deep and widespread sense of political renewal among Labour members and supporters. Labour's local government base was critical to that process. This was the period of its biggest gains in council seats throughout the UK. The Party was energised in parishes and suburbs previously devoid of Labour activity. It was in places such as Tendring, Hastings, Stroud, Eastwood, Thanet, Hove, where Labour secured council control, and then went on to elect Labour MPs in 1997 and 2001. This local resurgence together with inspired national leadership was vital to Labour's 1997 victory.
- 5.10. In the 10 years that have elapsed since the promise of a new politics, members' morale and trust has been sapped. But the idea that members matter in the Labour Party itself has been kept alive by the writings of a small but important group of thinkers and activists. These include (for example): *The Future Party* by Peter Hain MP, published by Catalyst .*Has Labour a future without the Party on the Ground?* by Dr Gaye Johnston, published by Save the Labour Party ,*Fit for Purpose*, by Jon Cruddas MP and John Harris and *Dare more Democracy*, by Neal Lawson, both published by Compass. The general proposition about the role of members in party politics was examined most recently in *The Future of Political Parties* edited by Emily Robinson published by Unlock Democracy. These all represent efforts by Party members to show that there is an alternative to the top down approach that has dominated Labour Party management since 1997.
- 5.11. Membership - The current 'offer' involves an invitation to sign up, ideally by direct debit. In return a member receives a standard letter including a Party Card and the name and telephone number of the local Constituency Labour Party Secretary.
- 5.12. This 'offer' has been enhanced since 2006 Annual Conference with the official Labour Party '*Join Us, Join In*' campaign. This was launched on the Party website offering prospective members the opportunity to vote in the forthcoming Leader/Deputy Leader elections.
- 5.13. The right for members to take part in the election of Leader/Deputy Leader was secured in 1980 and first tested in the Deputy Leadership contest in 1981. It was modified in 1993 with the introduction of the one member, one vote requirement for the votes of individual and affiliated members. But it has never been used before as a specific marketing tool to recruit members. The LabOUR Commission regards this as a

welcome development, but considers it is only a start to the Party Head Office setting out clearly for each member what the current offer comprises.

- 5.14. The best description of the Labour Party membership offer is that it consists of voting, nomination, selection and participation rights – all of which are variable and subject to change in accordance with the rules and constitution of the Party. Voting rights for individual members, and members of affiliated bodies apply at the national and local level, and for affiliated bodies at the regional level as well. Nomination rights apply to individuals for elected public positions representing the Labour Party, and also delegates representing Labour Party members. Delegates representing Labour Party membership dominate selection rights. Participation rights depend on the quality of service offered by volunteer officers of local Labour Parties either at the branch or constituency level.
- 5.15. We believe there will be long-lasting political gains to be made by Labour from forging a new relationship with its members. This will require changing by example the electorate's perception of being a member of a political party. Labour by its actions has to show that membership is a reputable voluntary activity.
- 5.16. In our early discussions we revisited the question of whether political parties should be regulated fully by the state through a legal code, as for example in Germany. A balance has to be struck between the need to respect the autonomy of political parties, and the rights of party members. At present, we have concluded unanimously that the Labour Party is not ensuring that members' rights are protected sufficiently by its internal processes. We believe this must be addressed as set out below.
- 5.17. We are opposed to legislating for members' rights in political parties. But we are clear that the unhealthy culture that has materialised over the past 12 years, must change under the new Leadership, as proposed in Section 2
- 5.18. We therefore propose that the Labour Party should now adopt its own 10 – point Charter of Labour Party Members' Rights comprising:
1. Right to Select Candidates for Election to Public Office – such as Parliament, the European Parliament, the Scottish Parliament, the Welsh Assembly and local government bodies. Party members shall have equitable rights of participation in such selections, which shall be conducted by open and transparent procedures.
 2. Right to Local Participation in the meetings (including the Annual Meeting) and other activities (policy forums, social, campaigning) in their local Branch including the right to stand for election to local office at Branch, CLP, local government and Regional Board level.
 3. Right to Participate in Selection of Upper House Party Representatives, with Party members voting in a secret ballot for

this purpose. Pending the reform of the House of Lords, all Party members shall have the right to nominate new peers for inclusion on the ballot paper, and all candidates shall be required to have the support of a minimum number of Party members before being entered in the ballot. Members shall also have the right to stand for any newly elected peers (as above).

4. Right of Party Members to Seek Selection to Public Office by seeking inclusion in panels for, and then selection to be a Labour candidate in elections for public office, subject to minimum eligibility conditions being met. These include fitness for office, competences, length of membership and the payment of subscriptions. Candidates for selection as the Party's candidate for any public office (such as MP, MEP, MSP, AM, or a member of a local government body) are entitled to the same access to relevant information and an equal opportunity to promote their case to the members. There shall be financial transparency in such selections, and, where necessary, there shall be spending limits for each candidate seeking selection.

5. Right to Participate in the Election of Party Leader and Deputy Leader and equitable rights of participation in such elections, which shall be conducted by open and transparent procedures. Party members shall also have the right to require the Party Leader and Deputy Leader to seek a fresh mandate from the membership in defined circumstances. Members shall also have the right to vote in elections to the National Executive Committee and National Policy Forum.

6. Right to Approve the Party's Donations Policy. The Labour Party shall have a clear policy about funding, setting out from whom it is prepared to accept funding, and how much it is prepared to accept from any donor. The policy shall be approved by Party members by way of a Conference resolution, and may only be amended by a subsequent Conference resolution.

7. Right to Access to Financial Information, in a timely fashion at the end of each financial year and ahead of Conference, to enable Conference delegates to be able to exercise proper scrutiny at the time the Annual Accounts are presented to Conference.

8. Right to Participate in the Development of Party Policy under the sovereign authority of Conference. Party members shall have the right to stand for election as a Conference delegate, on complying with minimum qualifying conditions, and to take part in the election of Conference delegates. They shall also have the right to access and comment on policy documents as part of the rolling programme – either individually or collectively through their local party – and to stand for the National Policy Forum.

9. Right to Information on Policy to track both the rolling policy programme and the *Partnership in Power* dialogue between Government and Party with full transparency of decisions, comments and analysis on the members' website. All consultations and the dialogue should be subject to a clear protocol ensuring a full audit trail accessible to all members and affiliates.

10. Right to Complain about Unconstitutional or Unethical Behaviour by Party Officers, Party Representatives or Party Members to the Labour Party Ombudsman. The Ombudsman shall report to the NEC and the report shall be made publicly available, subject to legal considerations. Party members shall not be disciplined or expelled for exercising any of the rights in this Charter.

- 5.19. A Labour Party Ombudsman - The LabOUR Commission further proposes that the Charter of Members' Rights will need to be underwritten by the creation of a new post of Party Ombudsman, whose specific function will be to consider complaints arising from the proposed Charter, Code of Ethics and Whistle-blowing policy that are not covered by the Party's current disciplinary procedures. This will help support the change of culture inside all sections of the Party.
- 5.20. This proposal will require careful consideration and recognition that the role of an Ombudsman is different from that of a tribunal (such as the National Constitutional Committee). It is essential that the Ombudsman be an independent-minded Labour Party member. Clear terms of reference will be needed to avoid conflict with existing Party structures, especially the NEC.
- 5.21. It is proposed that the appointment of the Ombudsman be made by the NEC, and that a special majority be required for this purpose, to ensure that the successful candidate has the widest possible support in the Party as a whole. Steps should be taken to ensure the independence of the person who shall be appointed for a non renewable term of 10 years, subject to removal only for misconduct or incapacity or resignation from the Party. The position shall carry a stipend, and the Ombudsman will determine the resources required for the discharge of the function, in discussion with the NEC.
- 5.22. The functions of the Ombudsman should be set out clearly in the letter of appointment. They will include: the duty in the first instance to receive and investigate complaints that either the Charter of Members' Rights or the Code of Ethics has been infringed.
- 5.23. We aware from submissions made to us of concerns about the current disciplinary procedures. As stated above we do not consider it appropriate that the remit of the proposed post holder should create a parallel system to the current disputes procedure. The NEC may wish to keep the functions of the proposed post of Ombudsman under review as a means of underwriting the cultural shift required to renew the Party.

- 5.24. The Ombudsman should have powers to take such steps as are expedient, interview such people as appropriate, and examine such documents or records as are necessary, and to report with recommendations to the NEC. It shall be the duty of the NEC to consider the recommendations of the Ombudsman in accordance with the Rules and Constitution of the Party. Recommendations of the Ombudsman shall be posted on the Labour Party website, and the NEC, in exceptional circumstances, shall have discretion to reject or vary the recommendations of the Ombudsman so long as full reasons are given.
- 5.25. The Ombudsman's role shall, in no way, fetter the constitutional role of the National Constitutional Committee in dealing with allegations of a breach of rule by an individual member brought by the NEC or CLP, nor shall it fetter the NEC's ultimate responsibilities to implement the party rules laid down by Conference, or take the final decision on appeals or where there is a dispute. The Ombudsman shall produce a written public Annual Report to the Party, reporting in person to the NCC, NEC and Conference.
- 5.26. In addition to the proposed Charter of Members' Rights, the Labour Party should adopt a Code of Ethics setting standards of integrity, tolerance and transparency in all its operations. The code should be subject to wide consultation, building on the current rules and best practice. It should set down principles of behaviour that provide the framework for the operation of the Party at all levels. There should be a requirement that all units of the Party, public representatives and officers of the Party should abide by the code. The appropriate principles have been established by the Committee on Standards in Public Life, and it would be appropriate for these principles to apply to the officers and representatives of political parties. These principles – known as the Nolan principles after the first Chair of the Committee – are in the process of revision. At the present time, however, they provide as follows:
- a) Selflessness - Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
 - b) Integrity - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
 - c) Objectivity - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
 - d) Accountability - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

- e) Openness - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
 - f) Honesty - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
 - g) Leadership - Holders of public office should promote and support these principles by leadership and example.
- 5.27. These principles have been widely applied throughout the public sector, and we believe that they should be adapted for adoption by political parties.
- 5.28. The Labour Party requires a 'whistle-blowing' policy. Party members, employees, affiliates and members of the public should be able to make a complaint to the independent Ombudsman in confidence through a website, by telephone or letter where it is believed that there has been a breach of the Members' Charter or Code of Ethics. The Ombudsman shall be under a duty to investigate such complaints and to act as appropriate.
- 5.29. Summary of Recommendations
- a) Urgent steps are to be taken by the new Leadership and the NEC to empower members of the Labour Party and encourage them to play a fuller role in the renewal of Labour as a vibrant mainstream political party
 - b) Establish a Charter of Labour Party Members' Rights, together with a new post of Ombudsman
 - c) Adopt a Code of Ethics, including a whistle-blowing policy

6. *Partnership in Power* – reconnecting politicians to people via Party

*“Stop imposing policy top down,
listen to the members
and the MPs”*

LabOUR Commission Focus Group participant, Birmingham

- 6.1. *Partnership in Power* (PiP) was founded on a belief that the pillars of the Labour Party in government and the Party on the Ground should work together. The aim was to create a deliberative, open and transparent forum to debate and reconcile policy differences with a view to agreeing and mobilising the best way to address the political challenges of society.
- 6.2. This was to be in sharp contrast to the internal divisions in the Party in the 1970s and 1980s which were believed to have left Labour in opposition for 18 years.
- 6.3. The framework agreed in 1997 embraced two key dimensions:
 - a) A new policy framework involving the whole Party in the development of future policy through an agreed rolling programme, overseen by a strengthened democratic National Policy Forum (NPF) that reflected the federal nature of the Party. This was to be a bottom-up policy process and both consultative and final reports required Conference approval.
 - b) A dialogue between the Party and Government which would address the implementation of policy and current issues. This would involve the NPF, NEC and Government and cover all the major policy areas organised into commissions and an over-arching Joint Policy Committee. Concerns or suggestions would be raised by local or regional parties as relevant, or indeed by ministers, and fed through a process of dialogue.
- 6.4. A healthy Party was fundamental to PiP, with a broad-based local Party active in every part of the country rooted in and representative of its community fulfilling five broad mutually reinforcing roles:
 - a) contribute to policy development and dialogue
 - b) promote Labour’s local and national achievements
 - c) be involved in the democracy of the Party
 - d) campaign to get Labour representatives elected, and
 - e) build links with local communities, groups and voters all year round

- 6.5. An enhanced NEC with a broader base, a greater democratic legitimacy and clear functions to promote the above goals, was to set the strategy for the Party and act as guardian of Labour's constitution and finances.
- 6.6. The apparatus was established nationally. There was an attempt to roll out the policy process locally at the outset. But its operations have continued to be plagued by the demands of the centre, and a lack of democratic representation and transparent operation.
- 6.7. We believe that in the 1999-2003 period the Party Leadership began to lose confidence in PiP as opposition within the Party to some government policies started to gain momentum. Party membership ceased to be a priority and Labour local government was sidelined by increasing national prescription. The NEC appeared to lose its teeth and become more of a bi-monthly talking shop as strategy, personnel and finance decisions moved *de facto*, if not *de jure*, to 10 Downing Street. PiP became more discredited and perceived as a mechanism to centralise policy and governance. This, in turn, led to a more adversarial relationship between Labour in government and TU affiliates and members.
- 6.8. It is principally at a local level that *Partnership in Power* has not taken root. At first, there was a strong commitment to the establishment of local policy forums. They were organised on a top-down basis partly to ensure they were effective, but also out of a fear they might not produce the desired answers. The process of local engagement was fouled by the launch of the *Big Conversation* in 2003, which coincided with the launch of the second Iraq War, and failed to publish any adverse comment on that issue, at a time when millions were demonstrating on the streets. Good CLPs and branches do plan around the rolling programme and organise all-member discussions to feed into consultations. But many others have reverted back to the tried and tested formula of adversarial resolutions.
- 6.9. The Party Chair is a Prime Ministerial appointment. PLP members on the JPC are also Prime Ministerial appointees. The JPC can insert policy recommendations into policy documents sent to Conference without NPF approval. Policy Commission chairs are nominated by Party staff, and until recently were rubber-stamped by the NEC. Policy formulation is therefore top down. Submissions from CLPs and affiliates that diverge from the Government line appear to be ignored in the process.
- 6.10. To secure democratic legitimacy, members need to be part of the policy process and convinced that it is a two-way process. The review of PiP led by the appointed Party Chair Ian McCartney "*Building the Partnership with the Party*" approved by Conference in 2005 was not referred back for further consultation.
- 6.11. In our initial research based on focus groups the LabOUR Commission's team concluded: *It seems that the government's and central Party's*

relations with the members would be greatly improved if the rationale for policies was fully and honestly explained to members who have the capacity to appreciate the realities and difficulties of government. This is an approach that might also benefit the government in its dealings with the public. There was general agreement that members of the government and Party leaders should be made more accountable for their decisions, and a general sense that the Party was no longer as democratic as it had been – “there is no internal democracy in the Party any more,” said a Glasgow participant.

- 6.12. The results of the Focus Group work showed a relatively low level of detailed knowledge among rank and file members about Labour Party organisation in general, and its policy making mechanisms in particular. The quantitative research undertaken through the LabOUR/YouGov polls tended to support this finding with 47% saying they had never taken part in any form of policy-making forum, compared with 44% of members who had.
- 6.13. Further pointers to the need for this issue to be addressed now included the LabOUR/YouGov poll results about the Manifesto with 55% wanting to have a role in signing off through an OMOV ballot, despite the cost and trouble involved. Asked to list the Labour government's six worst policy mistakes, respondents listed issues that had never been properly debated through the *Partnership in Power* process: Iraq (52%), subservience to the US (49%), relying on privatisation (46%), refusing to increase the top rate of tax (36%), introducing tuition fees (32%) and using the terrorist threat to curb civil liberties (29%).
- 6.14. The results all point to current *Partnership in Power* practices being unsustainable if the Party aspires to renew itself. Tinkering at the edges will not change either remaining members, lapsed members or the electorate's perceptions. The use of new technology is important. But the ease with which e-petitioning can produce perverse results, as evidenced by the 2007 road pricing petition on the No 10 Downing Street website, highlights the importance of facilitating reasoned and better informed debate about policy options.
- 6.15. Our conclusion from the LabOUR/YouGov polls as well as our personal experience is that from the outset the new Leadership must acknowledge that the Labour Party is a separate and democratic body, which has the right to disagree with Labour in Government. We are proposing that this should be done by securing support from the Cabinet, NEC and PLP to relaunch *Partnership in Power* as a mass civic re-engagement, with transparent drafting, consultation and decision making processes.
- 6.16. Proposed reforms:
- a) The NPF should be reconstituted as an openly elected body on a one-member one-vote (OMOV) principle from relevant constituent parts. Constituency section members should be elected by OMOV,

probably on a regional basis.

- b) The Party should aim to make sure that the final policy document is fully reflected in the Labour Party manifesto in accordance with the Rules and Constitution.
- c) Democratic participatory policy formulation will require a new Secretariat at arm's length from the Party in Government with a transparency protocol for the NPF and NEC.
- d) The chair of each policy commission should be an NPF member elected by the NPF.
- e) The JPC should be reconstituted as an elected organisational body to ensure effective coordination of policy making in a timely fashion. It should not have powers to alter NPF policy recommendations. Its members should be elected from within the NPF by the NPF.
- f) The JPC should establish a clear timetable for the rolling programme set for each parliamentary cycle. This should be communicated to all CLPs, Branches, Labour Groups and posted on the web.
- g) Consultative reports should be despatched to all Party units with an invitation to respond and a (suggested) template for responses allowing time for proper consideration of the proposals.
- h) All Branches – either individually, grouped or through a CLP all-members' forum as considered appropriate locally – should be encouraged to have a special meeting to consider policy documents. There should also be a one-page summary and briefing sheet for Branch Chairs/Political Education Officers (PEOs).
- i) The contact details of all NPF members should be available so they can be invited to speak at the local policy forums.
- j) Publication of all submissions on the Party website so other parties, members and affiliates can access submissions and cross-fertilise ideas.
- k) All parties sending submissions should receive an (electronic) acknowledgement and link to where it is posted within a month. After the closing date, an independent analysis of all submissions should be posted on the website and, together with the response and actions of both the Policy Commission and NPF, circulated to parties submitting. Thus there is a clear audit trail.
- l) When a PiP dialogue focuses on contemporary issues (e.g. the decision to invade Iraq), CLPs should continue to make formal submissions and send resolutions as they feel fit, but these should be acknowledged, published and – on key issues – analysed. Branches should be encouraged to conduct the dialogue through their CLP in a collective democratic endeavour, which incidentally

would make the process more manageable.

- m) Individual members and Branches who make submissions on policy issues electronically or in writing should always be acknowledged and provided with a response where possible. They should also be advised that if they are dissatisfied with the response that they can ask their Constituency Party to make a formal submission.
- n) In the event of policy differences at the NPF, minority reports should be drawn up for debate at Annual Conference and/or CLPs and affiliated bodies should have the right of amendment to NPF documents by resolution to Conference.
- o) In the event of policy differences between the Party in Government and Conference, a new mechanism is required to enable the NEC to appoint a special working party comprising representatives of government, and the NPF to secure resolution within a limited time period after Annual Conference.

6.17. Summary of Recommendations

- a) NEC to review *Partnership in Power*, completing the process started in 2005, with a view to electing CLP members by OMOV on a regional basis, creating a Policy Secretariat separate from the Party in Government, redefining the role of the JPC, and enabling the NPF to elect its own Policy Commission Chairs
- b) Labour Party Head Office to create a transparent two-way internal process with publication of proposals, responses, subsequent analysis and next steps online to all members
- c) NEC to propose to Conference rule changes to grant rights of policy amendment for CLPs and affiliates at Conference, together with a resolution procedure in the event of a Conference vote against either a Party in Government or a National Executive Committee policy recommendation

7. How to finance the 21st century Labour Party

- 7.1. We consider that financial restructuring is inextricably linked to the current debate about the funding of political parties arising from the Hayden Phillips Inquiry, and the future of our Party will continue to be based on its members.
- 7.2. The LabOUR/YouGov polls illustrated a clear perception among both members and lapsed members about undue influence being exercised over Labour Party policy by rich individual donors. The whole process begs questions about why political parties in general, and politicians in particular, need to raise money.
- 7.3. We want the spotlight to be focussed on political parties' spending. We are particularly keen to know whether that serves the process of political engagement, and, if so, how well? There could be a case for banning some types of political expenditure altogether (e.g. billboard advertising). Access to public space for local party posters could be permitted during election periods, as e.g. in Northern Ireland and Birmingham, where local bye-laws permit the use of lamp posts, and treat tampering as an offence.
- 7.4. The Current Position - we understand from statements made by the NEC and data in the public domain that the Labour Party's finances have been stabilised. Plans are in place to ensure that it can meet its obligations. From now on, an essential part of the budgetary process must be to set aside monies for interest repayment and debt repayment as well as rebuilding funds to fight future elections. Restoration of financial control by the NEC followed a public statement in March 2006, by the Party Treasurer that he had not been informed about the loans received by the Party to pay for its 2005 election campaign. The NEC statement issued subsequently by the NEC chair, Sir Jeremy Beecham, stated that control of the Party Finances had reverted back to the NEC.
- 7.5. We believe that members and affiliates need both more regular and detailed information about the state of the Party's membership and finances. We are recommending that a task force be set up under the Party Treasurer to take this work forward in time for the 2007 Annual Conference.
- 7.6. We hope that the outgoing Leader accepts the need to leave behind plans to clear the Party's current indebtedness, enabling the new Leadership to focus on fund raising for the future.
- 7.7. To get the Party back to financial health requires careful financial modelling and a thorough understanding of both traditional and modern fund raising opportunities at all levels of the Party. The Party needs a

credible business plan, embracing all members whether rich or poor, present and future.

- 7.8. By empowering members and rebuilding confidence in the NEC's control of both *Partnership in Power* and the Party's finances, we believe that new fund-raising possibilities can be developed. Increasing membership will open up new possibilities for active engagement with the electorate, reducing the need to budget for ever more costly professional services to help secure voter support. But to achieve that we believe the Party will have to be able to explain clearly to members how money is going to be spent.
- 7.9. The Party through its voluntary CLP election agents and officers knows the questions that have to be addressed to work out election campaign costs. These include: What is the size of the electorate and the number of households per electoral unit? How many activists do we need to knock on every door in a constituency? What contact rate is assumed at what time and on what day of the week? How many activist hours will it take to bury the allegation 'the only time we see you is when you want our vote'? What human resources are needed to organise, stage and document policy forums nationally, regionally, and locally? Does electoral literature win a single vote? If so, in what circumstances? Are DIY printed leaflets more or less effective than professionally printed ones? Are individually addressed ones more likely to be read than 'junk-mail'?
- 7.10. Tackling the election spending "arms race" will require all Party units to adopt a 5-year budget. This should include provisions for:
- a) the cost of administering local Party democracy
 - b) political education, including hosting local policy forums linked to the Labour Party's internal policy making system, *Partnership in Power*
 - c) election campaigning covering local, regional, national and European elections
- 7.11. Key seats and objectives for forthcoming elections need to be identified. Voluntary and professional capacity needs to be well understood, both current and future. We believe there is a very strong case for Labour leading the way in reviving voluntary activity through the political party process.
- 7.12. We believe that it is reasonable to assume in the current climate that local fund raising for spending locally will be easier than national fund-raising until members' confidence in the Leadership and Party HQ has been restored.
- 7.13. These proposals in themselves need leadership to encourage organisational capacity building to put together a self-help plan. In the first instance how many CLPs within a particular local authority, or county boundary work together as an effective campaigning and fund-raising unit? We believe an internal survey is required urgently. This could form

part of the work programme arising from our recommendations for the proposed Party Treasurer's task force.

- 7.14. The current regulatory framework distinguishes between national and local campaigns. But it is restricted to election spend, and not the other facets of party political activity either nationally or locally. So far as the former is concerned, there is a national limit current set at £19 million per party (depending on the number of candidates fielded). This applies to campaign expenditure defined by the Political Parties, Elections and Referendums Act 2000 incurred in the period 12 months before the election. The Electoral Commission recommended a reduction to £15 million in its report on funding political parties in 2004. This ambition was echoed in the Hayden Phillips findings published in March 2007.
- 7.15. As far as local campaigns are concerned, Westminster Parliamentary candidates only face local spending limits between the time the Election is called and polling day, as do Scottish Parliamentary and Welsh Assembly candidates. The most controversial are the Westminster marginal seats. One of the issues recommended for action by Hayden Phillips Inquiry is tighter election spending caps at local level. This would close a loophole in the current regulations that allows unlimited spending in a Westminster Parliamentary constituency by candidates and local parties in the open season between General Elections.
- 7.16. New legislation to secure tight election spending controls is in Labour's interests. The less parties are permitted to spend, the less they need to raise. This in turn would have a positive impact on democratic engagement if it meant that the parties had to rely more on volunteers for election campaigns and other purposes.
- 7.17. Current sources of income – After the 1997 General Election a 40:30:20:10 formula was devised by the Labour Party Director of Finance. Individual members were expected to contribute 40% of Party income; Affiliates – 30%; high value donors - 20%; and net income from events and merchandising – 10%. It was intended to show a fair basis for restructuring the Party's finances.
- 7.18. Membership Subscriptions - Last year, when membership was falling, the full-rate subscription fee was increased to £36. We await to see the impact on membership levels for last year. We accept, however, that because of the increase in the fee, a rise in revenue from membership subscriptions is inevitable. This gain is short-term. The risk is that it will deter the enrolment of new members. The impact needs to be monitored. In the meantime, as a first step to increasing membership, we urge the Party to encourage supporters to become members, if they are not already paid up. In addition, we recommend affiliated unions to encourage their levy payers, who are not members of the Labour Party, to join as full members. They can do this at the reduced rate of £12 per annum.

- 7.19. In addition to membership subscription are Small Donations. We believe these could make a real difference to the long-term funding of the Party. Since the initial surge in establishing a database of donors between 1987 and 1992, too little effort and resources have been devoted toward this activity since. All evidence shows that once people contract by standing order and direct debit to donate money to an organisation, they tend to maintain their support for a considerable time. Therefore a fund raising database of people giving between £5 to £25 per month becomes a reliable source of income. Not only is the membership database available to Party staff, but the affiliated trade unions have all of their levy paying members on databases too. More effort could be directed towards members and supporters who can afford to give more. For example, membership of the One Thousand Club (those contributing £1,000 a year or more per annum) currently stands at only about 200. This is fewer than the membership in the mid 1990s. It will require research and investment to develop. We believe that the new Leader and the NEC should give priority to this as part of the renewal package.
- 7.20. Similarly, TU members could be encouraged to make additional voluntary contributions to the Party by sending those contributions (monthly/quarterly/annually) to their union for collection. This would strengthen the trade unions' role in the Party as well as encouraging individual trade unionists to contribution. Many might be willing to contribute this way, rather than directly to Party HQ.
- 7.21. Affiliation Fees - Here we are talking about the contribution affiliated Trade Unions continue to make to Party finances. Up until 1987, the Party relied almost exclusively on the trade unions for its income. It must always be remembered that following the 1987 general election, it was the trade unions that approached the Labour Party to advise that, with their own falling membership, they would not be able to continue to finance the Party at the levels of income it would need in the future. As a result of this, the trade unions funded the national membership system and the Business Plan, which enabled the Party to begin to establish alternative means of income.
- 7.22. The Party accounts show that although the income received from trade union affiliations has declined as a percentage, it continues to be its consistent and major source of income. There are many political reasons to maintain the mutually beneficial link. There is also a powerful financial argument for doing so. It remains the most transparent and effective method of financing a political party by individual citizens.
- 7.23. Large Donors - The most cost effective method of raising money for the Party and the area, which has shown the most growth over the past 15 years, is large donations/loans. We believe that policy on this should be decided by Conference. It is essential that such donations be made by people who have a genuine interest in the Party, coupled with a desire to enhance its aims and ideals. We anticipate that because of current

events, this aspect of fund raising could decline in the future, unless the role of the large donor can be successfully decoupled from the public perception of buying influence.

7.24. There is no reason to suppose that events and sales could not continue to make a modest contribution to the Party's future income.

7.25. Summary Of Recommendations

- a) Establish a special task force under the Party Treasurer to set out recommendations to the NEC and the 2007 Annual Conference
- b) NEC to show the Party how it has re-established strict controls over income and expenditure, including clear guidelines on authorisation
- c) Invite the Party Treasurer to draw up an ethical donations policy for consultation with all members to be agreed at the 2007 Annual Conference

8. Labour – a showcase of accountability, party and parliamentary democracy?

*“there is no internal democracy
in the Party anymore”*

LabOUR Commission Focus Group participant, Glasgow

*“If you’re a collective organisation,
you’re not always going to get
your way. But you know, you
can’t deny that we at least
have a chance to make our input.”*

LabOUR Commission Focus Group participant, Cardiff

- 8.1. Beyond the Leader/Deputy election will be the 2007 Annual Conference in Bournemouth. The new Leader/Deputy will want to show the electorate the Party is best when it is Labour. Delegates will want to show that the Party is unified behind the new Leader to win a fourth General Election. We believe both Leader and Party will come together by agreeing to restore accountability, Party and Parliamentary democracy and renew our commitment to Labour Values. The areas requiring radical reform are listed below in Section 9.
- 8.2. Accountability – Party Finances - we believe the Party needs to improve its standards of scrutiny. The simplest mechanism would be for the NEC to propose to the Conference Arrangements Committee the timetabling of an Annual General Meeting on the Sunday afternoon. That could be done in time for the 2007 Conference with delegates acting on behalf of members from their respective constituencies. We do not envisage all members having rights to attend in person. Rule changes may be required to provide for delegates to be empowered with proxies by individual members to vote to approve the accounts, appoint auditors and any rule changes proposed either by the NEC, CLPs or affiliated bodies. Such Rule changes could be put to the 2007 Conference for implementation in 2008.
- 8.3. Accountability – Party in Government - the outgoing Leader Tony Blair created a post of Party Chair in an effort to improve coordination between Labour in Government, the Party HQ and the Party on the

Ground. We believe this post symbolises excessive centralisation and recommend its immediate abolition. In the debate around the Leader/Deputy contest a number of ideas are being proposed by the contestants to fulfil the coordination function. These range from the creation of a second Deputy Leader to enable a man and woman to carry that title, to a nationally elected Chair. Any such change would require rule changes. In this instance, we recommend consultation during 2007/08 on the options to provide better Party/Leadership liaison. In the meantime, the Leader/Deputy election may produce a candidate seeking a mandate to fulfil that function with the existing rules. As important will be the adoption of OMOV for the election of the three government members to the NEC. This is already the practice for the election of the three PLP backbench places on the NEC. These places have been filled by nomination of the Leader. The Rules already provide for election by the Cabinet. We propose that all government ministers should have nomination and voting rights for these three places.

- 8.4. Both recommendations in the section above will be *de facto* in the gift of the new Leader. We recommend they form part of a distinctive package of measures adding up to a self-imposed ban on the use of powers of patronage, and a public perception of cash in return for favours.
- 8.5. Accountability – Role of Labour Party Staff – In addressing the cultural shift required within the Party as set out in Section 2 Labour's Cultural Crisis, particular sensitivity will need to be shown to the role of Party staff in internal Party selections and elections. The Party Rules and its employment contracts are meant to prohibit Party staff from canvassing for or giving unfair advantage to particular candidates. Breaches of these Rules and employment contracts constitute a disciplinary offence. Should a senior member of staff fail to take action against a more junior staff member for breaching these Rules, this too constitutes a disciplinary offence. We believe the same should apply to the treatment of delegates at Conference. We recommend a review by the NEC of current procedures with a view to ensuring that both the letter and the spirit of the Rules and Constitution, and our proposed Charter and Code of Ethics be observed. We further recommend that staff be re-focused to serve the Party as a mass-membership, democratically-run organisation to win power on behalf of those it seeks to serve.
- 8.6. Party democracy – the National Executive Committee - The LabOUR/YouGov poll of members asked about the role of the National Executive Committee 43% voted in favour of the following proposition: 'The NEC's role is mainly practical, but making policy and holding ministers to account is a necessary part of the building the Party's strength on the ground.' This compared with 27% in favour of an approximation of its supposed current role: 'The NEC's role when Labour is in government is mainly practical. It should make sure the Party has the finances, members and organisation to fight elections effectively, and

20% in favour of what might be regarded as the Old Labour NEC: 'The NEC has a vital political role, making policy, scrutinising Government decisions and challenging ministers when they depart from Party policy.'

- 8.7. If our findings are accepted as evidence of the need for a change in the role of the NEC, a new understanding will be required between the Leadership and the NEC. It needs to be achieved quickly. We are aware of suggestions from some possible Leader/Deputy contenders of a need to change the composition of the NEC. The Focus Group research did not throw up any suggestions that the current composition should be changed. This suggests to us that the current composition of the NEC is not a priority issue. We are aware that as a result of consolidation among affiliated Trade Unions, there are issues that will need to be addressed soon.
- 8.8. On the basis of our findings we would not recommend now that the new Leadership review the composition of the NEC and voting arrangements arising from its federal structure as some Deputy Leadership contenders have proposed. Instead, we believe the results of our research point to the need to focus on the role of the General Secretary, the staffing requirements of the Party itself and the liaison functions with No. 10, which currently account for a total of seven full-time posts paid for by the Party.
- 8.9. Parliamentary democracy – House of Commons - In the LabOUR/YouGov polls we asked respondents about their views on the duties of Labour MPs when the government introduced legislation or did things that vary from the policy of the Labour Party. Only 8% of members and 3% of lapsed members said an MP's duty was to support government legislation actions with their votes. Sixty-one per cent of members agreed that an MP's duty was "To negotiate firmly with government ministers to secure the best possible compromise before finally voting with the government". Twenty-eight per cent of members said an MP's duty was to risk defeating the government, if it failed to legislate in line with agreed Party policy". The balance of opinion among lapsed members was 47% who said MPs should risk defeating the government.
- 8.10. We then went on to ask which two factors should have the greatest influence on MPs in the event of important issues arising that could not for whatever reason be considered through the Party's policy making process. Members ranked an MP's own conscience and beliefs highest - 54%, views of Party members – 40%, views of an MP's own constituents - 35%, decisions of the Party Conference and NEC - 23%, and Ministers' speeches and statements – 19%. We hope that the Leadership will note these findings and act appropriately in deciding how to develop policy in future.
- 8.11. Parliamentary democracy – House of Lords/second chamber – proposed reform with the creation of a 100% elected second chamber as agreed in

the House of Commons in March 2007 will take time to implement, especially in view of opposition from the existing House of Lords. This means there will be a period during which political appointees to the House of Lords as currently constituted will need to be made. We therefore propose that the NEC and the new Leader initiate an internal Labour Party nomination and selection process of potential candidates for the House of Lords, and hold an election at Annual Conference starting as soon as practicable. This could be the forerunner of a regional list system elected directly by OMOV, with potential Labour peers being nominated for election at Conference by CLPs and affiliated bodies.

8.12. General Election Manifesto - The culmination of policy making is the publication of a General Election Manifesto. According to the Rule Book, the Manifesto is drawn up by a special committee known as the Clause V Committee comprising Cabinet, NEC and eight extra representatives from the Trade Union and Labour Party Liaison Organisation (TULO). In practice, the LabOUR/YouGov poll of members showed that a majority (56%) of respondents think in practice the Prime Minister and his advisers have the final say, with some input from the Cabinet and the Clause V Committee. Asked whether despite the trouble and the cost, the draft Manifesto should be submitted to an OMOV ballot, 55% of members said yes. We believe this reflects the lack of confidence among members about how policy formation has evolved over the past 10 years. There is a risk of a Manifesto ballot being mere tokenism. We think it would be best for the new Leadership and the NEC to reform *Partnership in Power* so that it works as the means of keeping the Party closely connect to the people on whose behalf it seeks to govern.

8.13. Summary of Recommendations

- a) Abolish the post of appointed Party Chair, enable all members of government to elect the three Cabinet representatives on the NEC and enable all Party members to select/elect Labour representatives to the House of Lords/Second Chamber
- b) Accept the NEC as the governing body between Conferences ensuring a clear separation of functions between the Party in Government and Party HQ
- c) Institute an Annual General Meeting for the adoption of the Annual Report and Accounts at the start of Conference to demonstrate financial openness and accountability

9. Conclusions - a 10-point plan for Labour Renewal

1. Build a broad-based paid membership representative of the community as the sole means of association to the Labour Party.
2. Retain the current federal structure of the Party as the base for renewal.
3. Establish a Charter of Labour Party Members' Rights, together with a new post of Ombudsman, and a Code of Ethics, including a whistle-blowing policy.
4. Review *Partnership in Power*, in particular extend OMOV to the election of NPF Constituency representatives on a regional basis.
5. Create processes for policy formulation and Party operations, including a transparent separation of functions between the Party in Government and Party HQ.
6. Establish rights of policy amendment at Conference together with a resolution procedure in the event of a Conference vote against either a Party in Government or an NEC policy recommendation.
7. Appoint a special task force under the Party Treasurer to draw up a comprehensive financial package for consultation with Party units in time for the 2007 Annual Conference.
8. Request the NEC to establish strict controls over income and expenditure, including clear guidelines on authorisation of expenditure with regular accurate reports to the Party Treasurer and the NEC.
9. Abolish the post of appointed Party Chair, enable all members of government to elect the three Cabinet representatives on the NEC and all Party members to select/elect Labour representatives to the House of Lords/Second Chamber.
10. Institute an Annual General Meeting at the start of Conference to demonstrate financial openness and accountability of NEC to members through their delegates.

Appendix A

LabOUR - Focus Group Transcripts analysis – February 2006

BEING A LABOUR PARTY MEMBER:

Analysis of five focus groups of Labour party members, present and past

This analysis of the five focus groups is for the present divided into two sections: the first section summarises the main trends and views that emerged from the five groups; the second attempts to give a richer summary, closer to the actual debates that took place and the views that were expressed.

INTRODUCTION

Why do people join the Labour Party?

“I was working with young homeless people and I felt very strongly about inequalities” (Manchester)

“I wanted to support Ken Livingstone getting chosen as the candidate for London mayor . . . I am an openly gay man so I expect my party to support me.” (London)

“I had seen three years or so of Thatcher in Parliament and I was quite appalled . . . I’d always been vaguely leaning towards Labour” (Birmingham).

“Because it’s the only party I feel expresses my opinions.” (London).

“I joined through getting galvanised by a miners’ strike and being involved in pressure groups which is similar to the anti-apartheid movement who used the same means” (Glasgow).

“It became increasingly obvious that I was left wing and the Labour Party was the only viable means of achieving left wing politics” (London).

“It was because it stood for fairness and justice, redistribution of wealth and democracy. It stood for values I believed in and I was very impressed by its history” (Birmingham).

“Partly because my parents and grand-parents were members, but I actually completely disagreed with where they were coming from politically . . . I supported what Neil Kinnock was trying to do with dropping policy on unilaterals” (London).

“Politics was something I was interested while I was studying at university and [joining the party] was something I could go out and campaign and hopefully make a little bit of difference” (Glasgow).

“I joined after my mother died to get the continuity. She had been a party member since the 1920s, I suppose, and when she died, I thought I would join them.” (Manchester)

“After probably ten years of getting disillusioned and embarrassed by and ashamed of all the fringe left-wing parties, I ended up joining . . . by default. I suppose I was browbeaten into it by friends, being a shop steward and trade unionist.” (Manchester)

SUMMARY

Participants in the focus groups became and largely remained members of the Labour Party because they believed broadly in social justice and equality. The party provided a community of shared belief and a vehicle for realising their beliefs in action, at national and local level.

They almost all found satisfaction in “belonging” to this community and the sociable aspects of working together for the party. Those who were active in distributing leaflets and canvassing prized the contacts they had with the public through this activity. Participants wanted a party that was rooted in the community and there was a general sense of loss that the party no longer belonged to a wider community.

They generally saw a distinct difference between the party and the Labour government. Being in the party was for most a long-term commitment that would survive the Labour government. There was general agreement that the public was increasingly alienated by politics and some acknowledgement that the party

and party politics was in decline, but little sense of any major crisis over the party's future. The attitudes of participants in London and Manchester seemed more critical than those of people attending the other three groups which may reflect a wider divergence among party members as a whole.

There was general satisfaction with the government's overall achievements even though these fell short of their own aspirations and beliefs and there were sharp complaints about specific policies and trends, especially over privatisation. Participants recognised the obstacles to achieving more, but felt that the government failed to measure up to the opportunities that the euphoric electoral win in 1997 offered. They lamented the loss of ideals and "big" ideas in politics in general and were unhappy with the government's pronounced managerial emphasis.

The decision to take part in the invasion of Iraq profoundly rocked the party and shook the commitment of even the most loyal. Most of those who had left the party did so over Iraq and for them it was a bitter watershed for which they blamed Tony Blair. The pull of the party is strong and participants who had left the party often wanted to re-join but said that they would not do so while Blair remained leader.

Participants almost universally valued the party's link with the trade unions and believed that the party benefited from those links in terms of the roots it has in the party in organised labour and the workplace as well as the more tangible benefits of finance and an electoral workforce. There was a sense on which the current level of trade union influence was preferable to trade union dominance which was seen as an electoral liability. Participants were less certain that the link benefited the trade unions and their members but on balance felt that it did.

There was huge disillusion with the attitude of the party's leaders and the Prime Minister and his government towards the party's membership. It was not simply that the government ignored the party's views: that was a historic reality. It was strongly felt that the party hierarchy had a condescending and even contemptuous attitude to the party and the members, seeking to manipulate them rather than consult and work with them as equals.

The resentments of members seem to indicate that the party's more professional approach from the centre, drawing as it does on modern techniques for shaping opinion and morale and fund raising, does not work with committed and relatively knowledgeable members, especially when there is a gulf between their beliefs and what is done "in their name". There was almost universal outrage about Charles Clark's infamous consultation exercise which was mocked in four out of the five focus groups. However, the outrage was the greater as the Clarke gaffe was seen as symbolic of the party's whole approach to its members and part of a "spin" culture that was inappropriate in the party's dealings with members.

Participants did not expect to be involved in detailed policy decisions which they generally assumed would require expertise and knowledge that they do not have. They also recognised that the government had responsibilities to the country as a whole, not simply to the party. But they did believe that policies should reflect the broad values of the party and that they should be consulted on this basis. It seems that the government's and central party's relations with the members would be greatly improved if the rationale for policies were fully and honestly explained to members who have the capacity to appreciate the realities and difficulties of government. This is an approach that might also benefit the government in its dealings with the public.

There was some discussion about the possibility of using modern media – chat-rooms, email etc. – as a way of widening party membership, deepening participation and reaching out. In general, the value of such ideas got only a cautious welcome and there was a fear that they would be exploited by the party hierarchy. There were also worries that poor people who could not afford to participate would be excluded. Participants put far more stress on the need to connect more directly with the community and on the value of group discussion and collective voting; and made the stipulation that virtual extensions of party activity should be tied in with the community. Several participants argued strongly that local parties could take more initiatives in their local communities, ranging from campaigns on local issues to workshops and informal social occasions.

There was general dissatisfaction with the extent of internal democracy in the party, without any great expectation of or even proposals for improvement. However, members took a markedly wide view of the democratic issue, taking a holistic view of the party's procedures and procedures within government as part and parcel of the same process. Members resented the fact that a small clique, often unelected and outside

the party, determined policy, without reference even to the PLP or cabinet, let alone party members and the party's contributions.

Within this context, there was only muted criticism of the party's mechanism's for policy making, though there was a proposal that members of the central policy forum should be directly elected. The party conference was dismissed as a "showboat". Participants endorsed the electoral college for electing the leader, recognising that MPs should have a voice equal to that of party members. There was however concern about the manner in which elections could be largely pre-determined.

Selection processes for choosing parliamentary candidates were seen as being largely fair and participative, though participants suggested that there should be rules regarding the amounts spent on campaigning and one member criticised the major intervention of party and trade unions in the selection of candidates for safe seats. Members wished to see more women and members of ethnic minorities become MPs and there was general, if cautious, approval for measures of positive discrimination, with two caveats – one, the usual wish for merit to prevail, the other that it should not be used by the party to try and fix outcomes.

Some participants suggested that members who had resigned should have remained in the party to fight for their beliefs, using as one means the ability of CLPs to de-select MPs. De-selection was indeed generally seen as a means of checking the government.

FOCUS GROUP DEBATES IN MORE DETAIL

Why do people leave the Labour Party?

Half the people who took part in the London group had left the party and or were about to resign.. All but one of the participants in the Manchester group remained in the party, but most of them had seriously considered resigning. Those who resign tend to be idealistic members who became increasingly disillusioned with government policies - "the contradictions between Labour rhetoric and what its aims actually were" - "lies and dishonesty", private-public partnerships (especially in the NHS), the "heavy-handed approach" to justice, triangulation manoeuvres designed to outflank the Tories, the marginal status of human rights and equality, the lack of democracy in the party. But the Iraq war was unquestionably the "big thing" and Tony Blair and his support for George Bush became a major issue for dissatisfied members. But dissatisfaction ranged wider. A former Labour party aide explained, "I think the Liberal Democrats offered a policy which was more in line with my thinking." A Manchester leaver said, "I don't see [Labour] as being a crusade for social justice, which is what I want to get involved with."

The party still however exerted a strong pull on their loyalties. Three or four participants in London said they would consider re-joining, especially if Tony Blair stood down as Prime Minister; in Glasgow, a man said his going "would be a pre-condition" – but he liked a lot of Labour policies and could come back under a new leader. It was more common to make comments like, "I still regard myself as Labour . . . There are a lot of [MPs] whose views I support and share, and if they can still find a home in the [party], then I think I can." But they usually also said that they would require changes in direction, especially over Iraq.

Why do people stay in the party?

Reasons for staying on were mixed. Members were quietly satisfied by what they saw as the often unsung achievements of the government and some were proud of contributing to the party at local level. The companionship of like-minded people, leafleting and then "going for a pint", was also an important factor. One woman stayed on simply because, she said, being on direct debit made quitting more difficult.

Pride in what the government has accomplished was real but not uncritical. "I go by what the Labour Party have done for this country, what the Labour Party has done for the world, and I believe that they have done more than any other government I can think of. . . . I don't say Labour is 100 per cent correct, there are certain things they can improve, but on the whole . . . they have done a hell of a lot for this country" (London). "I did leave the party in the late 1960s and re-joined in the 1970s. I'd say I am in the party now on a rather more pragmatic basis than I initially joined. I think when you are young you have an ideal society in mind, almost a template, but as you go on you find the world is more complex and more difficult to change and you get more pragmatic" (Birmingham).

A woman who worked among vulnerable people said tax credits were giving them "millions of pounds they would never have got under any other government. The reason why I stick with the Labour Party is because I can afford to live under a different government than Labour, but those people I work with every day - "poor

people, the people on the estates, the drop-outs” – can’t afford to be with anyone else but Labour”.

Participants in Manchester who had stayed on nevertheless expressed concerns about government policies and the organisational and electoral priorities of local parties which did not discuss policies and local issues. Another man was staying on because “I don’t think it is completely a lost cause”. He was waiting for the crash when the pieces would have to be picked up. A woman in Birmingham said it sometimes became “very difficult” to stay and she asked herself, was it worth it? But “somebody” has to stay.

The loyalties of current members were often severely strained. One man in London said that he had frequently come close to resigning and wanted major change in government policies, “I feel I am more under suffrage than I am a willing member.” It was his desire to be “part of organised labour”; and so long as the bulk of trade unions were affiliated to the party, he felt it was his “natural home and that is where progressive policy is made. I do feel there are a lot of unsung achievements of this government and it’s a little bit embarrassing and a bit annoying to see those so obscured by the very real mistakes that it has made.” A man in Manchester who wanted Labour to do more to address inequalities in the UK and around the world stayed on because having a Labour government was better than having a Conservative or even Lib Dem government in power; “despite the things I strongly disagree with, and will fight against, I still believe that having Labour in power is better than having the opposition in power.”

He believed in “fighting from within” for change in the party, as did others who remained members; as one man in London said, those who left should have stayed on to fight for their beliefs in traditional ways – passing resolutions, being elected to party policy forums, de-selecting “your Blair MP”. Various focus group members had taken this route. In reply, a man said, he had used the same argument with friends who were leaving the party, “but it’s increasingly hard to justify. People sort of laugh at you.” A woman had formed a “re-claim the party” group with others, “but so many people had actually left the party and we felt that we were knocking our heads against a brick wall.” They had tried and failed to de-select their MP who had lost the seat to a Lib Dem MP who was closer to her values, for example voting for civil liberties. A man who had left said, “essentially friends of mine who stayed in said we can’t stand national politics, but we’re staying here for local politics and we feel we do good things, but forget national politics.” A disillusioned man in Manchester remained in the party to try and win back three council seats lost in his ward in a city which still has an “active and vibrant [Labour] group”

There was in all the groups a current obvious pleasure in working alongside like-minded people for common aims. But it also gave active members the opportunity to connect with people outside the party while leafleting or canvassing. Being in the party remains a family tradition for some, though in one family it was “dad” who stayed on while others, including his son, left. A man in Manchester said that he nearly resigned in 2004 but didn’t because “I was very fond of my local branch – a great set of people and their hearts are in the right place.” There are pleasures also in being a new and young recruit. A younger man in Manchester recounted the “ecstasy” of older members when he and other young people joined. “We are treated as novelties and you love it, they’re desperate to hold onto us and listen to everything we’ve got to, say, so it different to everyone else’s experience . . . Locally, people are lovely, very nice.”

However, he contrasted this warmth locally with being treated nationally “with the same sort of contempt or condescension as everyone else.”

Members spoke of the pleasure in contributing, distributing leaflets while having their “three-penny worth” in debates at meetings, or assisting in local council election victories. But once again the feeling of being manipulated by the national – and local- party is evident: “you’re only called on when you are needed”. Quite a few participants in the focus groups were critical of their local wards or parties, feeling ignored and taken for granted, or pushed aside or ignored by “the normal clique” or by more (and sometimes newer) ambitious colleagues, or resenting an emphasis on fund-raising and organisational matters.

Is the Labour government governing well or badly? Is it true to the party’s beliefs?

There was general agreement that Labour was doing well on managing the economy, giving weight to the public services and “other things happening below the parapet”, such as tackling child poverty and introducing Sure Start, tax credits and the minimum wage. A woman in London recognised this sense of economic competence, but felt that the government should also deal with issues such as the power of multi-national companies over people’s lives. She lamented the loss of “the big questions” and felt that the parties were too similar to engage people’s interest in politics. Similarly, a Glasgow member agreed that there had

been “dramatic improvements” under the Labour government, but there was no defining issue or vision, “no banner that people can rally around”.

Most people felt that the government had made real achievements while taking bad decisions as well (e.g., over privatisation, Diego Garcia); and some pointed out that pressure groups had it easier since they focused on just one issue. There was a feeling that the government had no moral compass and profound anger and disillusionment over the decision to join the invasion of Iraq, especially among those who had left the party. One man however argued strongly that the Prime Minister’s desire to remove a dictator was genuine and in line with earlier decisions, such as intervening to stop genocide in Kosovo and the atrocities in Sierra Leone. There was also a view that the government had failed to get its achievements across, partly because of a hostile press that concentrated on personalities and scandals.

There was some discussion of the divergent ideological views that had always existed in the party and the difficulties of satisfying the “extremes” within the broad church. There was disagreement over the position of Tony Blair, with some arguing that he belonged to the right-wing and pragmatic social democratic traditions within the party and others saying that he was pulling away fundamentally from the party and creating dissonance and contradictions. One man found post-1997 recruits “quite scary” as they had no sense of continuity with the party’s past and not sharing concerns about liberties, inequality and poverty. He regretted that not much had been done to close the growing divide between the rich and poor and much that was done was surreptitious. “We have lost touch with the fundamental things”. One woman complained that the government was conservative and appealed to the metropolitan middle classes instead of reaching out to people, and “the best in people.” It had failed to challenge Thatcherism and lost a sense of civic responsibility.

There was some recognition that the government had two loyalties, it had also to reflect the views of the people who had elected it in a “western capitalist nation with a mild social democratic consensus” and an acceptance of the divergence in beliefs between government and party.

There seemed to be a pragmatic consensus in Birmingham over the record of Tony Blair and his governments. Blair was described as a “pot-burn politician” without roots in the party. Nevertheless, they appreciated what he had done for the party and were not comfortable with the directions in which he had led the party, and wanted Labour to be more green. However, they recognised that the country would not vote for what they wanted and stood for and were impressed by the government’s modest social achievements. Labour was still the only alternative. There was also some consensus around the suggestion that it was easier when the party was in opposition, not in power.

One exchange in Manchester encapsulated perceptions of being a member of the party and a Labour voter under a government which members felt was not true to party traditions. Belonging to the party or voting Labour was seen as being true to oneself. “A great many Labour supporters vote Labour in spite of Tony Blair and they always will vote Labour because they feel it represents the working class. They also feel it is tied into socialism.” Another man responded that people joined a party out of a set of beliefs and he saw no reason for people leaving because of the Iraq war or this or that policy. “I am not a member of the Labour Party because I agree or disagree with certain policies. I’m a member of the Labour Party because [it] is in general heading more in the right direction than any other party which is likely to have an influence over my life.” In fact, people should be joining Labour rather than leaving or power would be wielded by a small group with less and less influence from the public.

Does the party need to change radically or go back to traditional activities?

There was some resistance to the idea that it is impossible for people to meet in traditional ways, or to stick envelopes through doors in the “high tech TV oriented world”. Members spoke strongly against “gimmicks” or “quick fixes” like virtual digital memberships communicating on bulletin boards, in chat rooms or by e-mail, “there needs to be a decent concrete product and unless [it’s] there you are wasting your time with virtual chat rooms or whatever” (a man in Glasgow). Members generally spoke warmly of “organising principles”, of going out and recruiting people on the door-step, or debating and voting together and accepting a common decision. Meetings should be made more interesting rather than abandoned. The idea that the party should rely on a small number of high value fund-raisers and pull in “everyone else” by e-mail at election time was generally rejected in favour of “an organised party that actually has roots in the community”. But there was recognition that new media could make a contribution within a community structure, and may even make two-level membership of the party possible.

There was agreement that party politics in general failed to engage people and needed to connect with new people, especially the young. Politics in general was becoming too confrontational, too centralised and remote from people's lives and their communities; and this was certainly the case with Labour which was losing its roots in the community (partly as tightly-knit urban communities were disappearing and trade unions were no longer central to so many people's working lives). Moreover, people had full personal and work lives, said one man, and "actually to invest that time into politics you've got to have something that they can make a difference to the community, and that is increasingly harder" (Manchester). It was "hope" said someone else that got people involved (Glasgow). However a Glasgow member said that it was also up to local parties and members to involve the community. Party members in Leith had involved some 40 to 50 local people in anti-racist workshops when someone was murdered in a series of racist attacks. It had been a bottom-up exercise, with none of the self-appointed "heads of community", aimed at young people.

For ordinary people, it was felt, politics was about "preaching", or confrontational, or the archaic language of Parliament, or protesters shouting out their opinions on demonstrations, or politicians taking care to say nothing. David Cameron was the Conservatives in the right direction and the Labour party has to listen, acknowledge that other people had views, engage in debate. It was worth investigating new ways of getting through to people, like Big Brothers or the X Factor, with informal electronic meetings that might appeal to young people. But it was also important not to neglect the social element – local parties could turn regular GC meetings over to debate and social purposes, as in Sedgefield, hold informal parties for "sleeping members" or organise protests about local issues. There was also a fear that use of e-mails and the internet appealed to the middle classes while disenfranchising the poor who had no access to new media. Others questioned whether the central party would take any more notice of views expressed in e-mails rather than in letters or suggested that they could become another means of control. Several people praised internet sites that gave detailed political information, such as on MPs' voting records.

There was a sub-current of opinion that held that the party was now operating in a de-politicised culture. People nowadays might wear a wrist-band for a day but did not care "passionately" – though as several people pointed out, there had been great enthusiasm, even euphoria, at the 1997 election; "it was a beautiful day, people were joyfully going in to vote". So politics could get through. Various people criticised the media for the lack of substantial news and debate or ignoring the government's achievements. A lon/man? man used the short obituaries of those who died on 7/7 with the details of their informal social work to argue that people were still selfless and altruistic, but had moved away from politics. He blamed political spin and sleight of hand for turning people off. Yet others questioned the idea that young people were not interested in politics; they were, it was argued, though perhaps more around single issues. For some among them the Iraq protests were a sign of continuing political commitment.

A woman added that even when Tony Blair did talk in altruistic terms about world poverty, for example, he couldn't connect as young people believed that he would say one thing one day, "but then his actions . . ." A Glasgow member also raised Blair's world poverty initiative to make the point that it might superficially seem easy to end world poverty, cancel debts, and so on, but it was not within Blair's power to do so. He had to negotiate within the G8 and the subsequent media presentation was aggressive and seeking discord, and "then it's like, Tony Blair has failed to eradicate world poverty." But the fact is that then and on other matters, the government very often did the best it could.

There was an exchange in Glasgow, set off by a man who praised the Scottish Labour Party members who regularly handed out flyers advocating "bottom-up" policies and said that the party needed to recruit similarly passionate members who would hand out leaflets. Another man recalled entryism within the party, saying that "the most passionate, the most dedicated, the most fanatical are likely also to be the most undemocratic."

Do the channels of internal party democracy work well? Should members have more say in policy-making?

There was general agreement that members of the government and party leaders should be made more accountable for their decisions, and a general sense that the party was no longer as democratic as it had been – "there is no internal democracy in the party any more," said a Glasgow man. Participants were not sure how the party's leaders could be made accountable, especially as so much policy and so many decisions were made by a small coterie outside the party, often of unelected people. "There's nothing you can do with a government once they're voted in," said one man, . . . Iraq shows that the people at the top decide and they don't listen to party members." Thus there was a marked tendency to regard the

unaccountable nature of government and lack of internal party democracy as part and parcel of the same difficulty; and a less marked view that members had more influence at local level.

A woman in London said that the government followed the Prime Minister's vision which meant that it "zigzagged all over the place". She said the PM should be more accountable. Another Londoner complained that unaccountable people at No. 10 made policies, not cabinet members or MPs, who were shocked by recent white papers. "There is no democratic way of formulating policy at the moment . . . a lot has to change." In a brief discussion participants in Manchester seriously discussed a two-term limit for Prime Ministers as a safeguard against hubris. In several groups members said that they understood that there were a plurality of views in a democracy, but within the government and party just one view was dominant; the party's leaders were almost institutionally cut off from the party and were hardly aware of what was happening within it.

A few people raised the benefit that a switch to proportional representation might bring giving electors choices that they were denied. In Glasgow, there were brief references to the Labour party being more cohesive in Scotland, but being constrained by the national government, satisfaction that devolution gave voice to a Scottish political identity and conjecture that the Scottish party might become more radical under a Conservative government in Westminster.

A man in Manchester complained that the party conference discussed and agreed proposals from the policy forum and then a white paper emerged with ideas that nobody had heard of before. A small and strong leadership group believed it had the right to make such decisions. Measures of accountability had to be put in place; at conference, the party should confirm the leader. "It's there in the rules, it doesn't happen." Another said that party members could possibly de-select an MP, or exert power over local representatives, but "not the person who is making decisions for the whole party". It was felt without much conviction that it would be good if a Labour government could be held to account for manifesto pledges, perhaps by party members at the annual conference. One man suggested that members had a negative influence. Report-backs to MPs from agents and party workers about people resigning in droves over not being heard over Iraq and other matters were encouraging them to be readier to resist unpopular policies such as education.

Members agreed that they should be given a say in making party policies but were cautious about wishing to be involved in great detail in policy-making. A Glasgow member argued that party members had never really decided policy. He thought that the government had introduced sensible policies that made life better for many people. There was a wish to reinvigorate the national policy forum which one loyalist (who sought to convince friends and colleagues to stay in the party) said rarely seemed to reflect what he thought were the views of ordinary members. However, Birmingham members agreed that the forum was a means to feed members' ideas into policy-making, though less directly than the previous mechanisms. For one of them the choice was between having an influence now that had some effect on the government and a more absolute say that had no effect as Labour was in opposition.

They were also in favour of giving members a part in shaping the party manifesto, but this part had to be open to all members, not just the active; and the party had to draft a manifesto that pleased everyone, and not just party members (that was the mistake the Tories now made).

But even among this largely loyal group there was considerable scepticism about whether the Prime Minister did or ever had paid any attention to members' views, though it "would be nice" if Blair would. However it was the function of the party leader and Prime Minister to lead and take decisions, and Blair was a "honest" leader, if too convinced that he was always right and seemed to set himself against Parliament instead of "being part of it".

A member in another group suggested that a select few sifted through the mass of ideas that came forward and picked this or that idea, thus avoiding proper internal party debate. Another said that people were alienated by the weakness of local parties revealed at party conference. Others criticised the conduct of conference, with the leadership telling delegates what they would do and doing enough to keep them on board, but not engaging in debate and listening. It was a show-boat, not a policy meeting or democratic vehicle

One member wanted direct annual elections by members for the policy forum instead of having elections at one remove through conferences. He stressed that the election of the leader represented a rare "window of opportunity" which gave party and trade union members the power to choose who would run the party and to

seek “a contract of reform” for that person. Thus 1994 had been the last time at which the ideological “temperature” had been taken and some way regularly to take the temperature and to consult members on the party’s general direction should be devised. He felt that a “lazy” No. 10 could do more to develop the party.

In a brief exchange in Manchester, several men agreed that the members did not trust the leaders and the leaders did not trust the members, were unrepresentative of the party and were ashamed of its history. A man in the London group was confident that he spoke for them all when he said that the current party leadership wasn’t interested in the views of members and questioned the premise that any kind of reorganisation would take place to make them “more responsive” to members’ views. Participants in Manchester wanted simpler and less hierarchical decision-making structures and processes and more policy decisions taken at local rather than national level (where policies simply disappear or get mauled by civil servants). Several people felt that the complicated structures put off new members. One man perceived an “appetite for involvement” and praised a constituency brain-storming meeting attended by MPs Gerald Kaufman and Richard Leese [Leader of Manchester City Council] and a large turnout who wanted to be consulted.

The central party was seen as being very much more professional in its support for campaigning, alongside widespread resentment about the central party’s condescending communications with ordinary members, being showered with “Blair anodyne” e-mails asking them (as one Birmingham loyalist said), “why don’t you people get involved in doing some campaigning.” He said that he actually liked going out to campaign for the party more than being in meetings and discussions, yet such an e-mail “goes off my back like water off a duck’s back”. In four of the five groups there was contemptuous dismissal of a “pretty insulting and patronising”, “quite naughty” (Manchester) and “ridiculous” (Birmingham) consultation exercise, consisting of an e-mail list of “false questions” and “loaded” bullet points (Manchester) from Charles Clarke, “about do I want to lock up people who are eating babies, or something” (London), or “Have you stopped beating your wife?” (Birmingham, with laughter).

Clarke’s e-mail was clearly symbolic of what was seen as condescending and manipulative communications in general. A Manchester man said that a “massive gulf” had opened up between leaders, members and sympathisers and there was no listening across the divide. “The questions were ridiculous, I agree entirely, but there is also a feeling of why bother to respond even to sensible questions because there is no two-way trade in this. It’s almost a PR exercise of, let’s . . . let everyone feel they’re involved, we’ve decided what we are going to do, but let people feel they are involved.” This man reflected views expressed in London and Manchester about an “incredible sense of disenfranchisement”, even among active members. A London member said that if it were not for his “good” Labour MP and council, he would feel “extremely disenfranchised with the party and there are no real or effective avenues to say what I think is wrong.” A man in Manchester said it was a “massive issue” that engaging and listening to members and supporters wasn’t happening – “it’s about control from the centre.”

Two men came forward with individual complaints. A man in London complained that he had sent a resignation letter to David Triesman [then the party’s general secretary] and received a reply saying that 12,000 people had joined the party since he had left. “Later I found out . . . another 30,000 had left, so there is a loss of 18,000. I thought even now he’s got to lie and spin to disillusion a party member. He just can’t help himself.” A man in Manchester said that at one point members could e-mail Tony Blair to ask a question. “But it was a complete con, because they just used it so they could spam people’s in boxes throughout the campaign. When you look at that cynically then it’s just, why do I bother?” Then he was telephoned and asked for “just a small amount of money to help, can you spare £100. Just a small amount!” He cancelled his direct debit.

There was general satisfaction with the electoral college for choosing the party leader, which gave members a fair say while MPs who had to work with the leader properly had a larger say. Some members in Manchester and London complained about the choices they were and would be offered. “It seems it’s a foregone conclusion that Blair will go, that Brown will come in. Who actually makes this decision? How is it arrived at?”

Participants in the groups were satisfied with selection processes for parliamentary candidates, with praise in Birmingham for changes which involved ordinary members more. However there was criticism of the position in very safe parliamentary seats where the big players in government and trade unions moved in.

There was a need for safeguards against the use of large funds or organisational muscle in selection processes. It was felt that women and ethnic minorities were poorly represented and, on balance, a majority for at least investigating policies of positive discrimination to improve their position, with a residue of opposition to positive discrimination. But it had to be free of suspicions that the leadership used it to take control of selections and some Birmingham people felt that all-women short lists had to come from the local memberships, not from above. The idea that local parties might use de-selection as a potential way of keeping MPs “on their toes” to prevent them uncritically following the government line was raised.

A final question in Glasgow - would the Partnership and Power review reverse current trends? No, it was seen as a cosmetic exercise.

Is the trade union link beneficial to the party and to the trade unions?

There was general agreement in the groups that the party benefits from the links with affiliated trade unions, not just in terms of finance and “foot soldiers” at election time, but from being more rooted in organised labour and ordinary people. For one man in Glasgow, the link was “consequential, part of the party . . . institutional and organic”. A Manchester member said the trade unions should “own” the party, not the other way round. One man said that party members should connect again with people at work and through work in their trade unions and work for concrete benefits that could revive their political involvement.

But there was some doubt about whether the trade unions benefited. Some people argued that the trade union leaders had more influence than it seemed with ministers – “the reality is that they are in and out of each other’s offices the whole time” – and made important gains for their members at the micro-level of policy that never appeared in the press.” Someone cited the Warwick agreement as a sign of the benefit to trade unions; another the minimum wage. A Birmingham man said he wasn’t sure that the unions did still benefit, as Tony Blair just ignored resolutions at trade union conferences, “he does it to his own party, so he certainly does it to the unions.” Others felt that the trade unions were an important pressure group which was temporarily not getting through, but they were in a position to do so later. Some said however that the links meant that the unions were too tied to the Labour government and had to go along with policies that harmed their members; and a keen trade unionist in Glasgow felt that trade union representatives on the Labour NEC and other party bodies had their “arms twisted behind their backs” and did not vote for union policies.

In Birmingham there was some debate about Blair’s distancing the party from the trade unions. It seemed to be agreed that the era of trade union dominance in party affairs had been to Labour’s electoral disadvantage and the situation now where they had influence, but not decision-making power, was healthy – and allowed the party to relate more broadly [Rosie – do you recall this – the transcript says “healthy”] . It was also agreed that the strike ballots introduced under Thatcher were probably a good thing.

One woman questioned the idea that the trade unions gave Labour a broad base in society, arguing that those out of work – the young, students, old people, the disabled and other vulnerable groups - were excluded. “It’s a bad thing because it adds blinkers.” Some in Manchester were critical of large merged trade unions and the status-quo nature of their representatives on Labour’s NEC; but another said his union appeared to be “more democratic or more consultative, or more involving, slicker, more informative, everything than the Labour Party is . . . to me as a member, so why can’t the Labour Party manage to do that?”

Prof Stuart Weir

February 2006

Appendix B – How we got started

Following the 2005 General Election the chorus of voices from the Labour grassroots and trade unions calling for the renewal of the Labour Party for its affiliated and individual members grew ever louder.

The LabOUR Commission was set up immediately after the May General elections by a working group led by Peter Kenyon, Chair of Save the Labour Party (STLP), Michael Meacher MP and Mark Seddon, former Editor of Tribune and member of the Labour Party National Executive Committee.

Membership of the Commission was by self-appointment and entirely voluntary. But the aim of the working group was that it should be seen as broadly representative of the Party.

Methods of working dominated early discussion. An evidenced-based approach was decided. Although submissions have been sought and are reflected in this report, the Commission is not relying on them for its interim conclusions.

Instead the LabOUR Commission paid YouGov for the first comprehensive published opinion polls of members and former or lapsed members views for ten years.

Following Michael Meacher MP's decision to keep his options open for a possible Leadership bid he resigned from both his position as Chair and a member of the Commission on 5 December 2006. He was replaced the same day by Angela Eagle MP, who had joined the Commission shortly after its first meeting in 2005.

Peter Kenyon

May 2007