

#CoopParty

Annual Report 2010

the Co-operative Party

at the heart of Labour's future

Annual Conference London 2011

Also available at www.party.coop
or from 77 Weston Street, London SE1 3SD

This annual report has been produced by the Co-operative Party Limited. Registered in England as an Industrial and Provident Society under the Industrial and Provident Societies Act 1965. Registered no. 30027R.

For information or more details, please contact:

The Co-operative Party Limited

Registered Office:

77 Weston Street

London SE1 3SD

t: 020 7367 4150

f: 020 7407 4476

e: mail@party.coop

w: www.party.coop

This document is available on our website. To receive an electronic version, please contact Dorota Kseba at d.kseba@party.coop or telephone 020 7367 4155.

Chair's Report



In 2010 the Co-operative Party faced many daunting electoral and organisational challenges.

In the general election held on 6 May 28 Labour and Co-operative MPs were elected, a net loss of only one seat. However, the subsequent increase in the number of Labour and Co-operative Peers in the House of Lords meant that the Party returned its largest Parliamentary group ever.

Despite a disappointing result overall, the co-operative movement continues to have a strong voice in Parliament; something that was demonstrated clearly by the legislation we piloted through the House of Commons and House of Lords to complete the overhaul of the laws governing the co-operative and mutual sector.

Organisationally, the Party made enormous strides toward its strategic goals; more members than it has had for 20 years, more young members, the implementation of a women's strategy, the further development of a network for members from BAME communities, and greater accountability, fairness and transparency in the allocation of resources and geographical boundaries for local party units.

We are focused on delivering real outcomes for the co-operative organisations that support us and the many thousands of co-operators who make up our membership.

As we look toward 2012 and the International Year of Co-operatives those members will be working with the co-operative movement on the issues that matter most to the sector.

A handwritten signature in black ink that reads "Gareth Thomas". The signature is written in a cursive, flowing style.

Gareth Thomas MP
Chair, the Co-operative Party

Organisation

National Executive Committee

The Party is directed by its National Executive Committee, which meets 4 times per year.

National Executive Committee 2009-2011

			Attendance
Eastern	George Conchie	P	4/4
East Midlands	Julian Evans	P	4/4
London	Gareth Thomas MP (Chair)	A, S, P	4/4
North East and Cumbrian	Barbara Hawkins	A, R	4/4
North West	Dave Pownall	P	4/4
Scotland	Jeanette Timmins (Vice Chair)	A, S, P	4/4
South East	Bob Harber	A, R	2/4
South West	Chanel Stevens	A, P	4/4
West Midlands	Richard Bickle	A, R	4/4
Wales	Rt. Hon Alun Michael MP	P	4/4
Yorks & Humber	Cllr The Revd Paul Flowers	P	2/4
Youth	Kiran Mahil	P	3/4
OMOV (M)	John Wiseman	A, R	2/4
OMOV (F)	Fay Tinnion	P	1/4
Co-operatives UK	Steven Bayes (until September 2010)		2/2
	John Anderson (from September 2010)		2/2
The Co-operative Group	Len Wardle		2/4
	Stuart Ramsay	S	4/4
The Westminster Parliamentary Group	Rt. Hon. Don Touhig MP (until May 2010)		
	David Drew MP (until May 2010)		
	Meg Hillier MP (from September 2010)		2/2
	Chris Leslie MP (from September 2010)		0/2

Key to Sub-Committee memberships:

- A Audit Sub-Committee
- S Staffing & Remuneration Sub-Committee
- P Policy Sub-Committee
- R Rules Sub-Committee

Party Staff

The Party Staff in 2010 were:

London Office:

General Secretary	Michael Stephenson
Parliamentary Officer	Joe Fortune
Campaigns & Communications Officer	Martin Tiedemann
Party Support Officer	Joseph Russo
Policy Officer	Robbie Erbmman (until March 2010)
Office Manager	Dorota Kseba

Cardiff Office:

Deputy General Secretary	Karen Wilkie
Administrative Assistant	Cheryl Andrews

Glasgow Office:

Secretary, Scottish Co-operative Party	Jim Lee
Administrative Assistant	Linda Mylet

Newcastle Office:

Membership Administrator	Sylvia Hanlon
--------------------------	----------------------

Party Membership

(As at 31 December)

Region	2008	2009	2010
Eastern	723	687	777
East Midlands	471	476	584
London	1452	1475	1726
National Party	33	34	27
North	300	285	327
North West	752	724	897
Scotland	889	932	1009
South East	410	638	740
South West	567	483	546
West Midlands	362	431	542
Wales	420	401	437
Yorks & Humber	482	442	533
Brussels	16	14	13
Northern Ireland	-	23	29
Total	6877	7045	8187

The Co-operative Party: A review of the highlights of the year

We have based our activities over the last year on 4 strategic priorities:

- To be recognised by all sectors of the co-operative movement as indispensable;
 - To influence public policy at all levels;
 - To secure the election of effective co-operators to all levels of government;
- and
- To make the Party organisationally sustainable

The following sets out what we have achieved in the last 12 months for each of those priorities.

Strategic Priority 1 - To be recognised by all sectors of the co-operative movement as indispensable, to be defended politically and financially

- Private Member's legislation to end legislative obstacles facing the co-operative sector. Co-operative Party peers introduced a Bill that completed the important reforms that were started in the Labour Government's review of IPS legislation. This legislation, the third Bill from the Co-operative Party in the last decade, means a level playing field for co-operative societies and a saving of millions pounds for the sector.

Tory members of the House of Lords tried to stop this legislation but it was re-introduced by Co-operative peer Lord Tomlinson and successfully passed earlier this year.

- The recruitment of record numbers of new members of the Co-operative Party in the last 12 months. Our successful recruitment drive has provided not only new members of the Co-operative Party but also boosted membership of co-operative societies. Our aim is to make sure our new members become activists across the entire co-operative movement, not just the Party.
- A major new initiative for co-operatives at local government level. The "Co-operative Councils" initiative has secured the support of 115 Labour groups in councils around the country. The scheme allows councils to prioritise co-operative and mutual policy solutions as an alternative to the Conservative and Liberal Democrat cuts agenda.
- A major reform of the way local parties are organised. In 2010 the Party completed its review of the boundaries of local parties. That review established clearer and simpler arrangements for Parties and overcame historical anomalies that have limited the effective operation of the Party and the best use of funds provided by the Society.
- Strong representation of the Co-operative Party in the Shadow Cabinet. 3 Co-operative MPs (Ed Balls, Meg Hillier and Lord Bassam) were elected to Shadow Cabinet and a further 9 Co-operative Party MPs were appointed shadow ministers. Also, three Co-operative MPs are Chairs of Parliamentary Select Committees. This

high level of senior representation ensures that the co-operative movement is well represented in the new Parliament.

- A re-organisation of the Parliamentary Group of Co-operative Party MPs. This group is now the largest it has ever been and steps have been taken to ensure that our MPs work as effectively as possible on behalf of co-operative societies. By allocating policy areas to specific MPs and co-ordinating parliamentary activities on the issues that matter most to the co-operative movement we will ensure maximum political value for the work they do.
- The role of the Co-operative Party in the campaign for leadership of the Labour Party. The Co-operative Party ran three hugely successful hustings meetings in 2010 and by requesting all of the candidates to publicly back our policy agenda we have guaranteed the Co-operative movement a major say in the future policy direction and political priorities of our sister party.

Strategic Priority 2 - To influence public policy at all levels

- Promotion of the Co-operative Party Manifesto. This document was the most professional and comprehensive manifesto the Party has ever produced. It was put together after the largest consultation exercise ever with Party members and the broader co-operative movement and contained a number of significant policy proposals with direct benefits for the movement.

24 of the policies in this document were incorporated into the Labour Party Manifesto for the General Election.

- Launch of the Co-operative Party Manifesto for the 2011 Scottish Parliament Election. This document pulls together a number of major new initiatives for the co-operative movement in Scotland and will have a major impact on the policy debate leading up to the election campaign next year.
- Launch of the Co-operative Party Manifesto for the 2011 Welsh Assembly Election. This document, which was launched by Co-operative Party Assembly Member Huw Lewis at the Party's Annual Conference in Cardiff, is the centrepiece of the Party's campaign in Wales.
- The expansion of Co-operative Trust Schools in England. Co-operative Party MP Ed Balls launched the Co-operative Trust schools initiative and in 2010 the number of schools increased to more than 100. This, together with the development of a network for Co-op trust schools, is a massive boost for the movement.
- Campaigning for the mutualisation of British Waterways. Co-operative Party MPs secured an announcement from the Labour Government in March 2010 that British Waterways would become a mutual organisation.
- Expansion of the "Feeling's Mutual" campaign on the re-mutualisation of the failed banks. This highly successful campaign has energised Party members to undertake campaigning activities in their local communities and has highlighted the importance of a strong mutual sector in ensuring that we do not repeat the mistakes of the credit crunch.

In 2010 the Party expanded the campaign to also focus on the broader issue of financial inclusion. The mutual sector is a strong supporter of our campaign and it has done much to raise the profile of mutual financial institutions.

Strategic Priority 3 - To secure the election of effective co-operators to all levels of government

- The re-opening of the Parliamentary Panel and the selection of 43 Co-operative Party candidates for the 2010 General Election. This was the largest number of candidates ever selected and particular emphasis was given to ensuring more female candidates and representation in as many regions as possible.
- The largest ever group of Co-operative MPs in the House of Commons and House of Lords. 28 MPs were elected to the House of Commons and 16 of the Party's peers are now in the House of Lords. This was a great result for the movement and ensures that the co-operative movement continues to have a strong voice in the Parliament.
- The election of 70 Co-operative Party councillors in the local elections on 6 May. The Co-operative movement will be well represented in councils across the country as a result of the strong showing by our candidates in local elections. There are now almost 1,200 Co-operative Party councillors in total. With our "Co-operative Councils" initiative those councillors will be able to work more effectively with co-operative organisations to develop new opportunities in local communities.
- Opening of the Parliamentary panels in Scotland and Wales. Elections are due in 2011 in the Welsh Assembly and Scottish Parliament and the Party has taken steps to encourage as many candidates as possible, including those in winnable seats.
- An increase in the size of the Friends of the Co-operative Ideal group in Parliament. This group, which is made up of MPs who are members of the Co-operative Party but not in the Parliamentary group of Labour and Co-operative MPs, has grown to more than 130. For the first time ever, the majority of members of the Parliamentary Labour Party are also members of the Co-operative Party (including Ed Miliband). This is a major boost for the co-operative sector as it represents a pooling of the resources, authority, influence and advice of a substantial number of Parliamentarians.

Strategic Priority 4 - To make the Party organisationally sustainable

- The highest number of Party members for almost 20 years. Equally importantly, this growth has been across a wide age range and in all regions.
- A targeted membership recruitment campaign. We have developed specially designed literature for key potential membership groups and on specific policy areas and sent out more than 180,000 membership application forms this autumn.
- Re-launch of the Co-operative Party's Women's Network. This important network was brought back into existence at the Party's 2010 Annual Conference. As part of a broader women's strategy, the network is designed to encourage the recruitment and involvement of more women and greater representation for women candidates for public office.
- Doubling of the Party's Youth membership. This important initiative is contributing to a growing membership base and helping to develop the activists the Party and the movement need to successfully take forward the values and principles of the movement into the future. It also reflects the Party's determination to ensure that we are working in concert with the Group on its goal of inspiring young people.

- Development of the network for members from Black, Asian and Minority Ethnic communities. The Party's BAME network substantially increased its membership in 2010 and we have ensured that all new members have the opportunity to join and be involved. The network has an important role in identifying members among the existing membership, attracting and retaining new members from BAME communities, organising events, promoting BAME representation within the Party and as candidates for elected office.
- New fundraising initiatives. In 2010 the Party explored new ways of broadening its financial base. This was in recognition of the need to be more proactive, cost-effective and self-sufficient. In addition to our successful membership recruitment campaign we have sought and secured additional funding from our members through additional donations and an online campaign. We also now offer Party merchandise for sale including t-shirts and souvenir posters.
- Completion of the review of the Party's rules. A sub-committee of the National Executive Committee completed its review in 2010 to ensure that our rules are fit for purpose, easily understandable and ensure that we operate as effectively as possible. A number of those changes have now been adopted.

2010: month-by-month

JANUARY

Launch of the “Mutual Moment” report with Cabinet Office Minister Tessa Jowell, Manchester

Luciana Berger selected as Labour and Co-operative candidate for Liverpool Wavertree and Gavin Shuker selected in Luton South

Co-operative Party South West Weekend School, Torquay

FEBRUARY

Launch of the Friends of the Co-operative Ideal group with Ed Miliband, 10 Downing Street

Co-operative Party Scottish Policy Forum and Youth policy Event, Culross

Ewan Aitken selected as Labour Co-operative candidate for Edinburgh Eastern in the Scottish Parliamentary election

Co-operative Party Youth Campaign Day, Morley and Outwood

MARCH

Establishment of first ever Labour & Co-operative Club, Cambridge University

Labour Government announces plan for mutualisation of British Waterways following successful campaign by Co-operative MPs

Chris Evans selected as Labour and Co-operative candidate for Islwyn, Gemma Doyle selected in Dumbarton West, Jonny Reynolds in Stalybridge and Hyde and Tom Greatrex in Rutherglen and Hamilton West.

Launch of Friends of the Co-operative Ideal Scotland, Edinburgh with Scottish Labour Leader Iain Gray.

APRIL

Co-operative Party’s Private Member’s Bill on co-operatives passed, completing the review of co-operative legislation and regulations under the Labour Govt.

Co-operative Party stands record number of candidates (43) in General Election

Launch of Labour Party Manifesto with 24 policy ideas from the Co-operative Party Manifesto

Launch of Co-operative Councils initiative with 115 Labour groups from around the country

Chris Leslie selected as Labour and Co-operative candidate for Nottingham East

Launch of Friends of the Co-operative Ideal Wales at the Welsh Labour Conference in Swansea

MAY

Election of 28 Labour and Co-operative MPs at General Election, resulting in the largest Parliamentary group in the Party’s history

Election of 70 Labour and Co-operative Councillors in local elections on 6 May including a number of Council leaders

Co-operative Party presence at Co-operative Group members meetings

JUNE

4 new Labour and Co-operative peers announced for House of Lords, bringing total to 16, the Party’s highest ever total

Co-operative Party hustings meeting for the Labour leadership, London

Co-operative Party hustings meeting for the Labour leadership, Manchester, the largest and best-attended of any of the official hustings meetings

Stephen Curran selected as Labour & Co-operative candidate for Glasgow Southside in the Scottish Parliamentary election

JULY

Co-operative Party hustings meeting for Labour candidate for Mayor of London
Lesley Hinds selected as Labour Co-operative candidate for Edinburgh Western in the Scottish Parliamentary election
A number of Co-operative MPs attend Co-op Congress in Plymouth
Co-operative involvement in the Group's 52 Ways to Change the World event in Westminster Central Hall

AUGUST

Co-operative Party Summerfest and Summerfest Youth held in St Andrews, Scotland
Paul Godzik selected as the Labour/Co-operative candidate for Edinburgh Southern in the Scottish Parliamentary election

SEPTEMBER

Co-operative Party Annual Conference in Cardiff attended by Labour Leader Harriet Harman and Shadow Cabinet Ministers Ed Balls and Tessa Jowell, together with Welsh First Minister Carwyn Jones and several Labour and Co-operative MPs and leaders of Councils.
Co-operative Party Manifesto for the 2011 Welsh Assembly Election Campaign released.
Co-operative Party Women's Network re-launched
Co-operative Party/National Union of Students event on inspiring young people at Labour Party Annual Conference in Manchester.
Fringe events on Co-operative Councils and supporter ownership of football clubs at Labour Party Conference in Manchester
Richard McCready selected as the Labour and Co-operative candidate for Dundee City West in the Scottish Parliamentary election
Co-operative Party hustings meeting for Labour leadership, Bristol

OCTOBER

Co-operative Party presence at Co-operative Group members half-yearly meetings
Three Labour and Co-operative MPs/peers elected to Shadow Cabinet (Ed Balls, Meg Hillier and Steve Bassam)
Nine Labour and Co-operative MPs are made Shadow Ministers
Warwick University becomes the second Labour and Co-operative Club
Co-operative Party Manifesto for the 2011 Scottish Parliament Election Campaign released
Co-operative Party holds fringe meetings and stall at Scottish Labour Party Conference, Oban
Co-operative Party School on Co-op Councils, Croydon
Co-operative Party Weekend School, Corby

NOVEMBER

Scottish Co-operative Party Campaign Convention, Stirling
Co-operative Party holds stall at London Labour Party conference

DECEMBER

National Politics

Westminster

A General Election was held on 6 May. 43 Labour and Co-operative candidates contested the General Election. 28 were elected. This was a net loss of one seat from the 2005 General Election. (full list below)

6 Sitting Labour and Co-operative MPs lost their seat, 12 new MPs were elected for the first time and 9 candidates drawn from our Parliamentary Panel were unsuccessful.

The share of the vote for candidates in the 43 seats contested dropped by an average of 3.9% from the last general election.

Labour and Co-operative MPs now represent 11% of the Parliamentary Labour Party. In the last Parliament this was 8%.

The number of female Labour and Co-operative MPs rose by one to eight but women represent only 28% of the Parliamentary group.

The average age of Labour and Co-operative MPs has fallen from 53 to 48. The number of Labour and Co-operative MPs under the age of 40 has risen from 3 to 9.

The number of Labour MPs who are also members of the Co-operative Party (and eligible for Friends of the Co-operative Ideal) is 133. This is 51% of the Parliamentary Labour Party.

Labour and Co-operative MPs elected on 06 May

Mark Lazarowicz	Edinburgh North	Stephen Twigg	Liverpool West Derby
Linda Riordan	Halifax	Chris Evans	Islwyn
Luciana Berger	Liverpool Wavertree	Tom Greatrex	Rutherglen & Hamilton West
Geraint Davies	Swansea West		
John Woodcock	Barrow and Furness	Jonny Reynolds	Stalybridge and Hyde
Gavin Shuker	Luton South	Chris Leslie	Nottingham East
Gareth Thomas	Harrow West		
Mark Hendrick	Preston		
Alan Keen	Feltham and Heston	Unsuccessful candidates on 06 May	
Barry Sheerman	Huddersfield	Sarah McCarthy-Fry	Portsmouth North
Stella Creasey	Walthamstow	Angela Smith	Basildon South & East Thurrock
Alun Michael	Cardiff South	David Drew	Stroud
Cathy Jamieson	Kilmarnock & Loudoun	Phil Hope	Corby
Mike Gapes	Ilford South	Andy Reed	Loughborough
Meg Hillier	Hackney South & Shoreditch	Linda Gilroy	Plymouth Sutton
		Val Shawcross	Bermondsey & OS
Andy Love	Edmonton	Claudia Beamish	Dumfriesshire, Clydesdale & Tweed-dale
Ed Balls	Morley and Outwood		
Adrian Bailey	West Bromwich West	Paul Kalinauckas	The Wrekin
Jim Dobbin	Heywood & Middleton	Kathryn Smyth	Gravesham
		Gerry Ryan	Croydon Central
Meg Munn	Sheffield Heeley	Andrew Pakes	Milton Keynes North
Louise Ellman	Liverpool Riverside	Simon Burgess	Brighton Kemptown
Gemma Doyle	Dunbartonshire West	Sharon Taylor	Stevenage
Ian Davidson	Glasgow South West	John Cook	Norwich North

Labour/Co-operative Members of the House of Lords

Baroness Nicol	Lord McAvoy
Baroness Smith of Basildon	Lord McFall of Alcluith
Baroness Thornton	Lord Moonie
Lord Bassam of Brighton	Lord Morris of Manchester
Lord Bilston	Lord Thomas of Macclesfield
Lord Davies of Coity	Lord Tomlinson
Lord Foulkes of Cumnock	Lord Touhig
Lord Graham of Edmonton	

Lord Fyfe of Fairfield passed away February 2011

Scotland

Labour/Co-operative Members of the Scottish Parliament

Rhona Brankin – Midlothian	James Kelly – Glasgow Rutherglen
Bill Butler – Glasgow Anniesland	Johann Lamont – Glasgow Pollok
Helen Eadie – Dunfermline East	Marilyn Livingstone – Kirkcaldy
George Foulkes – Lothians	Frank McAveety – Glasgow Shettleston
Cathy Jamieson – Carrick, Cumnock & Doon Valley	

In 2010 the group's activities included:

- Helen Eadie MSP submitted an amendment to the Tobacco and Primary Medical Services Bill which kept open the option of a co-operative model in primary care.
- Cathy Jamieson MSP asked a series Parliamentary Questions to tease out the Scottish Government's attitude to co-operative education. The answers demonstrated ignorance of the issue on the part of the Scottish Government.
- Bill Butler MSP, Johann Lamont MSP, Frank McAveety MSP visited Scotmid Head Office to meet the CEO & a number of senior officials & discussed a range of trading & legislative issues including min. pricing of alcohol, planning & skills development.
- A Friends of the Co-operative Ideal event was held in Edinburgh in March with Iain Gray, Leader of Labour in the Scottish Parliament, as the keynote speaker.
- Bill Butler MSP led a debate on Fairtrade during Fairtrade Fortnight on a motion tabled by the MSP Group which recognised "that the fair trade concept is based on traditional cooperative principles of community ownership, concern for communities and democratic membership control".
- The MSP Group organised a members' debate on the "Bank on Owen" campaign which allowed a number of Co-op MSPs to raise a range of co-operative issues.
- The Scottish Co-operative Party's Manifesto was launched at Scottish Labour Party Conference at an event chaired by Frank McAveety MSP with Johann Lamont MSP as the main speaker. A fringe event was also held with Supporters Direct chaired by James Kelly MSP with Bill Butler MSP (Labour Spokesperson on Sport), George Foulkes MSP (Former Chair, Heart of Midlothian FC) and James Proctor from Supporters Direct speaking.

- Helen Eadie MSP intervened to prevent Ian McKee MSP, a nationalist, succeeding with an amendment to the Alcohol Bill seeking to prevent traders using loyalty cards with the sale of alcohol in Scotland and which would have been detrimental to the Co-operative Group's membership scheme.
- Bill Butler MSP asked a Parliamentary Question of the Finance Secretary on the size of the co-operative sector in Scotland.

Wales

There were four Labour and Co-operative AMs in the National Assembly:

- Lorraine Barrett (Cardiff South & Penarth) – Commissioner and Chair of the Co-operative Assembly Group
- Christine Chapman (Cynon Valley)
- John Griffiths (Newport East) – Deputy Minister for Skills
- Huw Lewis (Methyr Tydfil & Rhymney)

Local Government

Local elections were held in 166 local authorities on the same day as the general election. 190 Labour and Co-operative candidates were selected, of whom 73 were successful.

In April, 115 Labour groups in local authorities in England agreed to be part of the "Co-operative Councils" initiative. Its specific aims are to:

- Develop policy approaches based on co-operative principles;
- Campaign for those policies in local communities;
- Where Labour controls a local authority, implement those policies as effectively as possible;
- Conduct research on new policy ideas that support co-operative principles;
- Share best practice and ideas between Labour groups to ensure the widest possible take-up of these policies and to grow and improve the network of Co-operative councillors around the country;
- Recruit more Labour groups to become Co-operative councils; and
- Provide an important, high profile alternative narrative to the cuts agenda of the Conservative/Liberal Democrat coalition government.

This initiative will be further developed in 2011.

Party Support

The Party Support Unit works with Party members to:

- make better use of reduced resources
- drive the recruitment strategy
- provide focussed, equitable, and co-ordinated support to local parties
- ensure quality events are held in each region annually plus Scotland and Wales

In 2010 the PSU provided the following services:

- Guidance to local officers, by phone, email, letter and in person
- A dedicated website for local party officers – www.party.coop/support
- Providing regular information for parties and branches through the monthly Party Support Mailings (PSM)
- Party Officers' Handbook at www.party.coop/support or request them from the Cardiff office if they do not have access to the internet.
- Weekend schools including Summerfest
- Running the Party's blog Politics for People politicsforpeople.blogspot.com
- Co-operative Party Facebook Page and Groups
- Template newsletters
- Stalls at regional Labour Party events, and the conferences of Compass, Progress and the Fabians.
- Drafting reports to regional Society members' meetings

Policy

2010 was an important year for policy development in the Co-operative Party. Following a long period of consultation, the Party's Manifesto was released and 24 policy ideas were incorporated in the Labour Party Manifesto for the General Election.

A copy of the Co-operative Party Manifesto is available at www.party.coop

Following the general election the Party produced a comprehensive guide to its policies which forms the basis of the Party's new website at www.party.coop.

Manifestos were also released for the 2011 Scottish Parliament campaign and for the 2011 Welsh Assembly campaign

Campaigns

In 2010 the Party ran the following national policy campaigns:

“The Feeling’s Mutual”

This campaign calls on the government to undo the damage done to our building societies by the Thatcher Government and re-mutualise Northern Rock and other failed banks that were previously mutual institutions.

The campaign has been supported by a Facebook group of more than 1,500 people, a website with current news about the campaign, media coverage and other information www.thefeelingsmutual.org.uk , campaign packs for local Party members and other materials for local campaigning.

“People’s Rail”

This campaign calls for Network Rail to be made a mutual organisation in which ordinary members of the travelling public can have a say in how the railways are run.

Campaign materials include a pamphlet setting out how Network Rail can be mutualised www.peoplesrail.org.uk, a Facebook group with more than 600 supporters and membership cards for the travelling public to sign up to a People’s Rail Charter.

Financial Accounts

Co-operative Party Limited (Reg No 30027R)

Board Report

In 2010 the Co-operative Party returned the largest Parliamentary group of Co-operative MPs ever. The election of 28 Labour and Co-operative Members of the House of Commons together with 16 Members of the House of Lords has ensured that the co-operative movement continues to have a strong voice in Parliament.

That strong voice was shown by the Private Member's legislation Labour and Co-operative MP piloted through Parliament to complete the overhaul of the laws governing co-operatives.

Organisationally, the Party continued to focus on the implementation of its four strategic priorities. In 2010 the Party's focus on these priorities resulted in the following achievements;

- The highest Party membership in 20 years.
- The launch of "Co-operative Councils" initiative
- The incorporation of 24 Co-operative Party policies in the Labour Party Manifesto for the General Election.
- The launch of the Co-operative Party Manifestos for the 2011 Scottish Parliament and Welsh Assembly Elections
- The expansion of Co-operative Trust Schools in England
- A successful campaign for the mutualisation of British Waterways
- The expansion of the "Feeling's Mutual" campaign on the re-mutualisation of the failed banks
- The re-launch of the Co-operative Party's Women's Network

Financial Review

The Party's finances in 2010 were in a healthy state despite some external pressures. Modest increases in society income, combined with the additional costs of a staff salary review and a general election campaign (with a record number of candidates selected) necessitated some tight spending decisions.

The Party therefore ended the year with a reasonable surplus, kept costs down but maintained activity at a very high level.

On the income side, the Party's recruitment campaigns resulted in additional subscriptions from new members. Income from the Party's Annual Conference increased and funds were raised through a general election donation appeal.

On the expenditure side, spending on personnel costs was higher as a result of the review of office structure and staff salaries. Cost savings were made in postage, telephone, printing, committees, staff travel and annual conference.

Constituency Plan Agreement expenditure in 2010 was below Budget expectations because the number of MPs returned at the 6 May General Election was lower than the number of candidates selected.

Statement of Responsibilities of the Board

The Board are responsible for preparing the financial statements of the Co-operative Party Limited in accordance with applicable law and regulations.

Industrial and Provident Society Law requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Co-operative Party Limited and of the income and expenditure of Co-operative Party Limited for that period.

In preparing those financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Co-operative Party Limited will continue in business.

The Board are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that its financial statements comply with the Industrial and Provident Society Acts 1965 to 2003. They have general responsibility for taking such steps as is reasonably open to them to safeguard the assets of the society and to prevent and detect fraud and other irregularities.

Corporate Governance

The Party has established procedures necessary to comply with the provisions of the Turnbull guidance, insofar as applicable to the Co-operative Party, as at the year-end. The review process will continue throughout future years and will be considered regularly by the NEC and its audit sub-committee. The Party has continued to review and report on internal financial controls in accordance with the Co-operatives UK's Corporate Governance Code of Best Practice pre May 2005. The process used by the NEC to review the effectiveness of the system of internal control includes the following:

- A full risk assessment has been carried out to identify and evaluate the risks faced by the Party. Procedures have been established to regularly identify, evaluate and to manage significant risk.
- The Audit Committee reviews the effectiveness of the risk management process.
- Part time internal auditors were appointed in 2010 to report directly to the Party Audit Committee.
- Considering reports from management and external audit on the system of internal control and any material control weaknesses.
- To embed the process within the culture of the Party, all staff have been consulted and engaged in the risk management process.
- The Chair of the Audit Committee reports on all audit committee meetings to the NEC.

The Board has agreed to adopt the Co-operatives UK Corporate Governance Code of Best Practice, subject to consideration of amendments that are consistent with the nature of the organisation. These amendments relate to Board size, frequency of meetings and length of term of Board members.

The Party has adopted an internal control framework that contains the following key elements:

Internal Control

The NEC is ultimately responsible for the Party's system of internal control and for monitoring its effectiveness. The NEC through its Audit Committee monitors these systems through a review of:

- Monthly and annual accounts
- Reports of Internal Auditor
- Reports of External Auditors

The Audit Committee also reviews steps taken in response to significant findings or identified risks.

The system of internal financial controls are designed to provide reasonable but not absolute assurances regarding:

- The safeguarding of assets
- The maintenance of proper accounting records
- The reliability of financial information
- General responsibility for taking such steps as are reasonably open to it prevent and detect fraud and other irregularities

However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Key procedures that have been established and are designed to provide effective internal financial control are:

Control Environment

An organisational structure is in place with clearly defined lines of responsibility for planning, executing, controlling and monitoring business operations. The NEC approves the Party's annual budgets. The Party has a policy of communicating its management accounts on a monthly basis to each member of the Audit Committee. Results are reported against budgets with any significant variances considered by the NEC and remedial action taken where appropriate.

Risk Identification

The NEC and Party management have the primary responsibility for identifying the key risks to the business. The Party operates a risk management process identifying key risks facing the Party. Each risk is assessed for probability and likelihood of occurrence with the existing controls in place or controls required necessary to manage the risk. All risks are logged and categorised with the key risks reported to the Audit Committee and NEC.

Control Procedures

The Party have implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to

loss of assets or fraud. Measures taken include physical controls, segregation of duties, reviews by management and external audit to the extent necessary to arrive at their audit opinions.

Information and Communication

The Party operates a comprehensive membership database and communication takes place through Party Newsletters.

Monitoring

There are clear and consistent procedures in place for monitoring the system of internal financial controls. The Audit Committee meets at least twice a year and, within its remit, reviews the effectiveness of the Party's internal financial controls. The Party utilises the services of an Internal Auditor who carries out a review of control procedures on a regular basis having due regard to the key risks identified. Audit reports will be issued to the appropriate level of management, containing recommendations to improve controls where weaknesses are found, together with management's response.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The choice of auditors for 2011 will be the subject of a tender process.

Going Concern

The Board have prepared forecasts for the forthcoming twelve month period which indicate that the Society has sufficient committed subscription income and financial resources in order to enable it to meet its obligations as they fall due. As a consequence the board believes that the society is well placed to manage its business risks successfully in the current economic environment.


After making all enquiries, the NEC has a reasonable expectation that the Party has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the Party's accounts.

National Executive Committee Certification

The accounts and notes on pages 22 to 13 are hereby signed on behalf of the National Executive Committee.



MICHAEL STEPHENSON
General Secretary



GARETH THOMAS
Chair

Independent Report of the Auditors, KPMG LLP, to the Members of the Co-operative Party Limited

We have audited the financial statements of The Co-operative Party Limited for the year ended 31 December 2010 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Society's members, as a body, in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and auditor

As more fully explained in the Statement of Directors' Responsibilities set out on page 1 the society's directors are responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the society's affairs as at 31 December 2010 and of its profit or loss for the year then ended; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2003.

Matters on which we are required to report by exception

We have nothing to report in respect of the following.

Under the Industrial and Provident Societies Acts 1965 to 2003 we are required to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Mick Davies (Senior Statutory Auditor)
KPMG LLP Chartered Accountants
St James Square, Manchester M2 6DS

1 March 2011

CO-OPERATIVE PARTY LIMITED

INCOME AND EXPENDITURE ACCOUNT

Year ended 31 December 2010

	Note	2010		2009	
		£	£	£	£
Income					
Subscriptions					
- Co-operative Societies	2	671,793		661,226	
- Service Agreements		213,000		177,740	
- Individual Members		<u>93,881</u>		<u>86,968</u>	
			978,674		925,934
Chargeable Services			-		-
Annual Conference			22,880		15,951
Grants and Donations	3		60,073		-
Constituency Plan Agreements	5		14,196		21,555
Other Income			<u>3,462</u>		<u>7,312</u>
Total Income			<u>1,079,285</u>		<u>970,752</u>
Expenditure					
Salaries and wages		366,469		342,735	
Social security costs		32,306		29,588	
Other employment costs		26,905		30,421	
Pension - current service cost		<u>49,629</u>		<u>47,290</u>	
Personnel costs	4	475,309		450,034	
Rent,Rates,Insurance		66,003		60,509	
Light,Heat,Cleaning		4,668		3,436	
Postage,Telephone		18,533		25,214	
Repairs & Renewals		1,877		2,631	
Printing & Administration		46,609		52,853	
Committees		9,689		22,321	
Staff Travel		24,669		43,868	
Schools,Conferences		57,963		60,474	
Professional Fees		6,480		4,910	
Auditor's Fees - for audit		10,283		10,350	
" " - for other work		1,381		2,615	
Grants to Party Councils		186,299		176,380	
Constituency Plan Agreements	5	39,520		57,380	
Election Campaign expenses		75,860		768	
Depreciation		9,485		11,873	
Miscellaneous		14,662		17,836	
Bad Debt Provision		-		<u>9,300</u>	
Total Expenditure			<u>1,049,290</u>		<u>1,012,752</u>
Surplus/(Deficit) from Party activities before interest and taxation			29,995		(42,000)
Interest			2,717		1,805
Surplus/(Deficit) from Party activities before taxation			<u>32,712</u>		<u>(40,195)</u>
Corporation Tax	6		846		(1,609)
Surplus/(Deficit) for the year	10		<u>33,558</u>		<u>(41,804)</u>

The above relates entirely to continuing operations.

The notes on pages 26 to 31 form part of these financial statements

CO-OPERATIVE PARTY LIMITED

BALANCE SHEET
as at 31 December 2010

	Note	2010		2009	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	7		28,401		18,448
Current Assets					
Debtors	8	83,054		136,796	
Investments		175,000		100,000	
Cash in hand		30,570		37,340	
		<u>288,624</u>		<u>274,136</u>	
Creditors					
Amounts falling due within one year	9	(63,666)		(72,783)	
Net Current Assets			<u>224,958</u>		<u>201,353</u>
Net assets			<u>253,359</u>		<u>219,801</u>
Financed by					
Reserves					
Revenue	10		253,359		219,801
			<u>253,359</u>		<u>219,801</u>

The notes on pages 26 to 31 form part of these financial statements

CO-OPERATIVE PARTY LIMITED

CASH FLOW STATEMENT

Year ended 31 December 2010

	Note	2010 £	2009 £
Net cash inflow/(outflow) from operating activities	14	85,331	(9,485)
Returns on investments and servicing of finance	15	2,717	1,805
Taxation			
Corporation tax		(379)	(1,230)
Capital expenditure and financial investment	16	(19,439)	(12,113)
Cash inflow/(outflow) before use of liquid resources		<u>68,230</u>	<u>(21,023)</u>
Management of liquid resources	17	(75,000)	-
Decrease in cash		<u>(6,770)</u>	<u>(21,023)</u>
Reconciliation of net cash flow to movement in net fund	18		
Net fund at 1 January		137,340	158,363
Decrease in cash		(6,770)	(21,023)
Change in liquid resources		75,000	-
Net fund at 31 December		<u>205,570</u>	<u>137,340</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR YEAR ENDED 31 DECEMBER 2010

	2010 £	2009 £
Surplus/(Deficit) before taxation	32,712	(40,195)
Taxation	846	(1,609)
Total gains and losses recognised since last annual report	<u>33,558</u>	<u>(41,804)</u>

The notes on pages 26 to 31 form part of these financial statements

CO-OPERATIVE PARTY LIMITED

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Accounting

The financial statements reflect the transactions of the national organisation of the Co-operative Party, including its regional officers. The transactions of local Party organisations and of the political activities of individual Co-operative Societies, which are not under the control of the National Executive Committee, are not included. Grants to local Party organisations are shown as expenditure in the financial statements when they are made.

The financial statements are prepared on the historical cost accounting basis and in accordance with regulations made by the Electoral Commission and applicable accounting standards.

Going Concern

The NEC have prepared forecasts for the forthcoming twelve month period which indicate that the Party has sufficient committed subscription income and financial resources in order to enable it to meet its obligations as they fall due. As a consequence the NEC believes that the Party is well placed to manage its business risks successfully in the current economic environment.

After making all enquiries, the NEC has a reasonable expectation that the Party has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the Party's accounts.

Income Recognition

Income is recognised when all of the following conditions have been met;

- the Party is entitled to the asset;
- there is reasonable certainty that the asset will be received; and
- the value of the asset can be measured with reasonable certainty.

Applying these criteria to specific types of income results in the following treatment:

Subscription and Conference income is recognised on an accruals basis and includes all amounts receivable for the year.

Grants and donations are recognised in the income and expenditure account when the conditions for receipt have been met.

Investment income is accounted for on an accruals basis.

Depreciation

Fixed assets are depreciated by equal annual instalments over their expected useful economic lives at the following minimum rates:

Fixtures, Fittings and equipment - 20% to 50% per annum.

Motor Vehicles - 25% per annum.

The foregoing rates are used to write off the cost of the various assets over their expected useful economic life.

Corporation and Deferred Taxation

The Party is liable to tax on investment income. No deferred tax is recognised in the Party's accounts as investment income is taxed on the same basis as it is recognised in the income and expenditure account.

Pensions

The Co-operatives Party were accepted into the Co-operative Group PACE scheme commencing on 1st January 2009. Contributions of 16% of gross pensionable salary are recognised by the employer and charged through the income & expenditure account on a monthly basis.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Operating Leases

Rentals payable under operating leases are charged to the Income and Expenditure account as they arise.

2. INCOME

Service agreement subscriptions represent management fees for managing the political services of the Co-operative Group Limited.

	2010	2009
Society	£	£
Chelmsford Star	3,421	3,322
Co-operative Forum (NI)	-	51
Co-operative Press	52	-
East of England	20,967	20,967
Glenhall Housing	124	121
Midcounties	33,745	32,736
Midlands	63,027	61,192
Scottish Midland	12,380	12,020
Southern	18,784	18,237
the Co-operative Group	519,293	512,580
Total Subscriptions	<u>671,793</u>	<u>661,226</u>

3. GRANTS & DONATIONS

	2010	2009
	£	£
the Co-operative Group donation	40,550	-
Other grants and donations	<u>19,523</u>	<u>-</u>
	<u>60,073</u>	<u>-</u>

4. EMPLOYEES

The average number of staff, who are employed by the Co-operative Party was as follows:

2010		2009	
Full time	Part time	Full time	Part time
8	2	8	2

The costs incurred in respect of these employees were:

	2010	2009
	£	£
Wages and salaries	366,469	342,735
Social security costs	32,306	29,588
Pension contributions	49,629	47,290
Others	26,905	30,421
	<u>475,309</u>	<u>450,034</u>

Others include an amount for consultancy of £ 23,226 (2009 - £20,000) and £nil (2009 - £4,000) for redundancy and compensation payments.

Pensions

Actual pension contributions to the PACE scheme for its employees are disclosed above. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

4. EMPLOYEES (continued)

Senior Management remuneration

The total remuneration of the members of the management team was as follows:

	2010	2009
	£	£
Salaries	182,816	172,669
Bonus	-	6,975
Pension Contributions	29,251	27,626
	<u>212,067</u>	<u>207,270</u>

The remuneration of the General Secretary included above was as follows:

	2010	2009
	£	£
Salary	72,203	70,700
Bonus	-	2,856
Pension Contributions	11,553	11,312
	<u>83,756</u>	<u>84,868</u>

5. CONSTITUENCY PLAN AGREEMENTS

These are agreements entered into between the Co-operative National Executive Committee and the Labour Party Constituencies to which partner Societies Co-operative parties contribute one third of the cost. Payments are made direct, from the Co-operative Party, to the Constituency Labour Parties.

6. TAXATION

	2010	2009
	£	£
Corporation tax	<u>(846)</u>	<u>1,609</u>

7. TANGIBLE FIXED ASSETS

	Fixtures, Fittings & Equipment £	Total £
COST		
1 January	201,819	201,819
Additions	19,439	19,439
31 December	<u>221,258</u>	<u>221,258</u>
DEPRECIATION		
1 January	183,371	183,371
Charge for year	9,486	9,486
31 December	<u>192,857</u>	<u>192,857</u>
NET BOOK VALUE		
1 January	18,448	18,448
31 December	<u>28,401</u>	<u>28,401</u>

Capital Commitments

As at 31 December 2010 there were no capital commitments (2009 - £nil).

Capital expenditure authorised but not committed amounts to £nil (2009 - £nil).

8. DEBTORS

	2010	2009
	£	£
Trade Debtors	58,373	43,001
Prepayments	20,010	70,169
Other Debtors	4,671	23,626
	<u>83,054</u>	<u>136,796</u>

Debtors are shown net of a provision for bad debts of £9,300 (2009 - £ 9,300).

9. CREDITORS

	2010	2009
	£	£
Trade Creditors	25,040	23,216
Taxation and Social security	9,498	14,148
Corporation tax	571	379
Accrued charges	28,557	35,040
	<u>63,666</u>	<u>72,783</u>

10. RESERVES

	2010 £	2009 £
Revenue reserve		
Balance at 1 January	219,801	261,605
Surplus/(Deficit) for the year	33,558	(41,804)
Balance at 31 December	<u>253,359</u>	<u>219,801</u>

11. OPERATING LEASE COMMITMENTS

At 31 December 2010 the Party had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 2010 £	Land and Buildings 2009 £
Operating leases expiring:		
Within one year	-	-
in the second to fifth year inclusive	<u>36,425</u>	<u>36,425</u>

12. NATIONAL EXECUTIVE COMMITTEE

The directors of the board (National Executive Committee) receive no remuneration for their services as members.

They do receive reimbursement for expenses incurred in discharging their responsibilities. Expenses reimbursed for 2010 were £ 9,689 (2009 - £22,321). Certain directors of the board are also members of the boards or governing committees of other bodies in the Co-operative Movement (see note 13). Information regarding transactions between the Party and such bodies is given in note 2.

13. RELATED PARTIES**Co-operatives UK Limited**

Co-operatives UK Limited provides accounting and payroll services for the Party. The charges for the services for 2010 were £ 3,500 (2009 £3,500).

14. RECONCILIATION OF DEFICIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2010 £	2009 £
Deficit for the year before interest	29,995	(42,000)
Depreciation charge	9,486	11,873
Decrease in debtors	53,742	31,104
Decrease in creditors	(7,892)	(10,462)
Net cash inflow/(outflow) from operating activities	<u>85,331</u>	<u>(9,485)</u>

15. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2010 £	2009 £
Interest received	<u>2,717</u>	<u>1,805</u>

16. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2010 £	2009 £
Purchase of tangible fixed assets	(19,439)	(12,113)
	<u>(19,439)</u>	<u>(12,113)</u>

17. MANAGEMENT OF LIQUID RESOURCES

	2010 £	2009 £
Investment in Coop Group corporate investor shares	<u>175,000</u>	<u>100,000</u>

18. ANALYSIS OF NET FUND

	1 January 2010 £	Cash Flows £	31 December 2010 £
Cash in hand	37,340	(6,770)	30,570
Current asset investments	100,000	75,000	175,000
Total	<u>137,340</u>	<u>68,230</u>	<u>205,570</u>

the co-operative party
politics for people



Published by
The Co-operative Party
77 Weston Street
London SE1 3SD