

oort 2015 

# politics for people

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Co-operative Party Limited is a registered Society under the Co-operative and Community



We are a
Living
Wage

Employer



As defined in our rules, the Co-operative Party seeks:

'...to promote co-operative and mutual forms of economic and social organisation, which are based on the principles of mutual ownership and democratic control, and to support political action in pursuance of the Values and Principles of the Co-operative movement in the UK and internationally as defined from time to time by the International Co-operative Alliance.'

# Making the co-operative difference

Since it was founded in 1917, the Co-operative Party has strived to build a society where wealth and power are shared and where the co-operative movement is able to flourish. Throughout our history, the Party has worked with the co-operative movement to empower consumers, protect the environment, and to champion fair trade.

We have supported credit unions, won new rights for football supporters and enabled the creation of 800 co-operative schools. We have fought to ensure that there is a legislative and regulatory environment in which co-operatives old and new are able to grow and thrive.

# What is a co-operative?

Co-operatives are businesses and organisations owned and run by their members. Whether those members are customers, employees or residents, all have an equal say in what the business does and a receive a fair share in the profits. One billion people across the world are members of co-operatives.



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# Chair's report

2015 was a challenging and busy year for the Co-operative Party. May's General Election result was a disappointing one. Although we were pleased that 24



Labour & Co-operative MPs were elected to Parliament, we were sorry to say goodbye to a number of our MPs, many of whom have championed the movement for many years.

At the same time as campaigning in the run up to the General Election, the Party ran the 'Keep It Co-op' campaign. This asked members of the Co-operative Group to vote at their AGM to maintain its historic link with the Party. We took the opportunity to highlight the Party's work and achievements, and to build a renewed consensus around the need for a co-operative voice in British politics.

It was a testament to the hard work of our staff and members that Motion 10. was passed at the AGM of the Co-operative Group and we look forward to continuing our long and successful relationship.

During 'Keep It Co-op', the Party expanded our support, with tens of thousands of members and non-members mobilising around the campaign.

The Party's campaigning energy continued into the autumn with a focus on defending the burgeoning community energy sector, which faced significant challenges as a result of changes in government policy; and our campaign for a People's BBC.

In the latter part of the year, the Labour Party conducted its leadership and deputy leadership elections. The Co-operative Party engaged with all of the candidates and each provided a statement setting out their vision on the role of the co-operative sector in Britain. We hosted a hustings event, which generated a lively debate with over two hundred of our members and supporters attending. This was transmitted live by webcam to those unable to attend.

The Party's Annual Conference and AGM were held in London. Three hundred delegates and visitors came together with elected representatives, senior figures from the trade union movement and organisations from across the co-operative movement to discuss the 'The Party, The Politics, The Movement.'

The National Executive Committee (NEC) of the Party met on four occasions. The final meeting of the year was a strategy weekend that produced a refreshed set of objectives on which the Party's draft strategic plan for the next three years will be based. Members and stakeholders of the Party will be consulted on this before a final strategy is agreed.

December's election of Jim McMahon as our newest Labour & Co-operative MP was a real success. He has played a leading role in the co-operative councils' movement and shown that there are a great many opportunities to put co-operative values at the heart of local government for the good of communities.

Labour & Co-operative candidates have been selected for the forthcoming elections to the Welsh Assembly, Scottish Parliament, London Assembly and across local government. We wish all our candidates every success in 2016.

One of my predecessors as Chair, Alfred Barnes MP, said that 'political parties of necessity spring from deep and abiding causes'.

As we edge closer to our centenary in 2017 we also know that the Co-operative Party's ongoing success depends on the relentless hard work and dedication of our members, party officers, elected members and staff; and the continued faith and loyalty of our large subscribing Societies – the Co-operative Group, Midcounties, Scotmid, Central England, East of England and Chelmsford Star – and those who have joined us more recently such as Enabled Works. The NEC is truly grateful for everything you do.

On a final note, Karin Christiansen stepped down as General Secretary in September. I would like to thank her for her tireless dedication over the past three years as an advocate of the Co-operative Party and its values. She leaves the Party equipped to face the challenges of the future. By appointing Claire McCarthy as new General Secretary, the Party will build on the successes of the past, not least in the lead-up to the Party's centenary in 2017.

#### **Gareth Thomas MP**

Chair, the Co-operative Party National Executive Committee

# Strategic Objectives

### 2013-15

In 2013, the Party undertook a major review to ensure that the Party was equipped to deliver on its organizational purpose. The resulting strategic objectives shaped the Party's work throughout the year:

#### The Party is working to ensure that

- The Co-operative Party's vision, narrative, identity and profile are clear to all our key stakeholders, and we are shaping the national political narrative into a fundamentally co-operative one.
- Co-operative policies and solutions are firmly embedded in the manifestos; shadow teams are laying the ground for our policy to be implemented in government.
- Our politicians at all levels are the best they can be, which includes nurturing and developing co-operators from across the movement to become the politicians of the future.
- Co-operative Party membership is growing, sustained by the best membership experience of a political party in Britain. Our members are innovating, supporting each other, and are rooted in the co-operative movement.
- Our operations and governance are the best of the political parties in Britain ethical politics in deed and fully digitally enabled.

All of this can only be done in partnership with our members and the co-operative movement. We will extend the range of people and

# Reporting on our objectives

This report covers the Party's work in 2015, based on the objectives agreed in

#### 2016-19

Objectives are displayed below



12,079

Facebook Fans (up from 6,756 in 2014) 178,000

Number of times Keep it Co-op videos viewed online

2015

in numbers

Labour & Co-operative Welsh Assembly candidates

Labour & Co-operative candidates standing for the Scottish parliament

Labour & Co-operative MPs in December 2015

Editions of our new magazine, sent to all party members

1133

New members in 2015

£2000

Amount average employee could gain each year under profit sharing policy developed by the Party

Words in Ed Miliband's article for Co-operative News in the run-up to the General Election

200 Local party branches **5000** 

Phone calls with Party members during the Keep it Co-op campaign

Appearances by the General Secretary on the Daily Politics

48,579

Co-operative Group members who voted to keep the link with the Party

**53** 

Pages in our Agenda for Britain, setting out our policies for the **Genral Election** 

400

Apples handed out at the Co-operative **Group AGM** 

£100m

The value of community energy schemes at risk thanks to changes in government policy

# Vision, narrative, identity and profile

Objective: the Co-operative Party's vision, narrative, identity and profile are clear to all our key stakeholders, and we are shaping the national political narrative into a fundamentally co-operative one.

# Influencing the debate & promoting co-operation

This has included -

Securing media coverage in the Sunday People for the call for a new Duty to Serve on British

banks

Media and communications work around the launch of the Agenda for Britain including tailored local press releases for Parliamentary candidates and a Scottish press release

■ Launch of a digital version of the *Agenda* for Britain at 2015.party.coop

Initiating the Ed Miliband Co-operative News article and supportive communications activity.

- Using innovative social media marketing techniques to increase reach, with total Facebook followers doubling from 6,756 to 12,079.
- Two interviews with Andrew Neill on the Daily Politics on BBC Two
- Re-launch of the @cooplocal twitter feed



Stella Creasy MP in the New Statesman – Want to really change politics? Look to Co-operatives – see <a href="http://s.coop/1wuqv">http://s.coop/1wuqv</a>

Karin Christiansen in the Huffington Post – Co-operative Politics – Reborn? – see <a href="http://s.coop/huffington">http://s.coop/huffington</a>

Co-op News – What does the new Labour leader mean for the movement? – see <a href="http://s.coop/corbyn">http://s.coop/corbyn</a>

Gavin Shuker MP on Community Energy – see <a href="http://s.coop/">http://s.coop/</a> communityenergy

# Keep it Co-op campaign

The Party relies on income from membership – both individual and organisational. The largest source of this is our subscribing societies – the Co-operative Group, Chelmsford Star Co-operative

Society, East of England Co-operative, Central England Co-operative Society, MidCounties

Co-operative Society and ScotMid Co-operative Society.

During 2015 the Party continued to reach out to members of these subscribing societies to raise the profile of the Co-operative Party and to explain what the Party offers and how it works for them.

Launched in February, the 'Keep it Co-op' campaign aimed to defend the link between the

Party

and the Co-operative Group and to maintain the historic partnership. This

culminated in a digital campaign asking Co-operative Group members to vote at the Group AGM to maintain their engagement in politics and continue the subscription to the Co-operative Party.

During the <u>www.keepit.coop</u> campaign 12,500 people signed up. Over 15,000 registered as new supporters. We received over 2,000 Facebook page likes, with 1,500 following the campaign on Twitter. Momentum built towards the May AGM, with Facebook likes growing 12% per week (an average daily Facebook reach of 10,000), which increased to over 100,000 on key days.

The Party produced a number of films to support the campaign and to explain more about the Party and its relevance. These were watched over 178,000 times. We also engaged widely with members – there were phone conversations (with 5,000 members), text messages (with 3,000 members) and by post (1,500 members).

Importantly we increased the media profile of the Party and the movement with a large amount of press coverage, including the General Secretary interviewed on the BBC Daily Politics programme and articles in The Guardian, Manchester Evening News, Western Mail, Tribune, the Morning Star, LabourList and Financial Times. The campaign was also highlighted by Co-operative News.

The campaign was supported by a range of co-operative movement and labour movement organisations, including the Fabian Society, SERA, Manchester United Supporters Trust, Community, Unite and NACO.

In September a key meeting of representatives from all subscribing retail societies took place to discuss priorities for future Party activity and issues of collective interest. Further meetings will take place early in 2016.

# Other Party campaigns

#### Armed Forces credit union – 'Give Them Credit'

During the year the Co-operative Party's 'Give Them Credit' campaign for an armed forces credit union bore fruit with Government announcing that it would work with three credit unions - the Police Credit Union, Planesaver and London Mutual – to enable them to provide tailored services to members of the armed forces, their families and veterans. The Ministry of Defence has also agreed to facilitate payroll deduction for savings and loan repayments. This is a direct result of the tireless work of Co-operative Party politicians including Gareth Thomas MP and Lord Kennedy of Southwark; and demonstrates that even from opposition in Westminster the Party is able to achieve real change.

## A 'People's BBC'

The process to renew the BBC's Charter began in 2015 and the BBC faces potentially massive and significant changes to its funding, remit and structure. Considerable concern arose during the year as a result of a deal agreed between the BBC and the Government that would see the BBC take over funding the free TV licenses for over 75s with no public consultation or engagement. This situation starkly highlighted the problem that the current BBC governance arrangements do not afford sufficient public accountability.

In response to this the Party launched a campaign for a 'People's BBC', making the case for a mutual governance model in which the BBC's viewers, listeners and staff would be members of the BBC with a real say in its running.

The Government's consultation on the BBC's charter renewal closed in early October, marking the end of the opening stages of the debate. The Co-operative Party submitted a petition with 5,000 signatories stating:

"We as licence fee payers should have a say and a stake in the Corporation's direction via the BBC Trust. It's us, not ministers or opaque committees who should determine its future. We need a BBC that is accountable to the people who pay for it, and which is independent of politicians and political interference. Licence-fee payers should be made individual members of the BBC Trust, and treated as such, with greater say over how it is run and the service it provides."

The campaign received coverage in the Guardian and significant social media attention. The campaign will develop further in 2016.

#### 'The Peoples' Bus – Not-for-profit buses

The Party has launched a campaign to champion not-for-profit community transport models, aiming to influence the Government's thinking ahead of the anticipated Buses Bill being introduced in Parliament in 2016.

The campaign attracted support from Lilian Greenwood MP, Shadow Secretary of State for Transport, Daniel Zeichner MP, Shadow Bus Minister in Westminster, Sarah Boyack MSP, Shadow Environmental Justice Secretary in Holyrood, and Labour candidate for London Mayor Sadiq Khan, with campaign packs made available for English, Welsh and Scottish members along with specific campaign materials. Local Parties have held events in their areas to promote the campaign.

The campaign's asks have been reflected within the Scottish Labour Party's national policy process and we submitted written evidence to the relevant Welsh Assembly Government inquiry.

## Community Energy

Renewable Community Energy schemes have proved to be a popular part of the UK's energy mix. Throughout 2015 the Community Energy sector campaigned in the face of a raft of Government changes to its regulatory and operating environment and the Co-operative Party has been proud to be on the front line of this work and to build on its 'Next Generation' community energy pamphlet.

During 2015 the Co-operative Party and its elected representatives have ensured that the issue has had a high profile. A number of Co-operative Party MPs have raised the sector's concerns in the House of Commons. The Co-operative Party worked with Labour Party Shadow Ministers to develop a joint approach and the Party was pleased to receive strong endorsements for its work from Shadow Energy Minister Clive Lewis MP.

The Party was also represented by our General Secretary and Members of Parliament at a high profile visit to a scheme by the Shadow Chancellor of the Exchequer and Secretary of State for Energy and Climate Change. The issue was also brought directly to David Cameron's attention through questions from the Leader of the Opposition Jeremy Corbyn MP.

Outside of Parliamentary campaigning, the Co-operative Party mobilised members and supporters to sign a petition of several thousand signatures, which was delivered to the Secretary of State for Energy and Climate Change. The Party used its online channels to develop hundreds of direct interventions from members and supporters, with posts regularly achieving a reach of over 20,000 people.

# Co-operative policies and solutions

Objective: co-operative policies and solutions are firmly embedded in the manifestos; shadow teams are laying the ground for our policy to be implemented in government.

# A Co-operative Agenda for Britain

In February the Party launched the Co-operative Agenda for Britain, a policy platform summarising our aspirations for the new Parliament and beyond.

The Agenda seeks a fundamental change in the way that Britain is run and governed; to create a shared economy, people powered public services and to reform broken markets in the interests of consumers.

It makes the case for establishing a shared economy – where employees are able to share in the ownership, decision-making and profits of Britain's businesses. Using examples ranging from co-operative trust schools to social housing mutuals, we also highlight the benefits that genuine mutual endeavour can bring to public services; providing real democratic accountability, giving users, employees and other stakeholders a real say in how their organisations are run.



# The new Labour Leadership

Following the Labour leadership election, the Co-operative Party began engagement with the new leadership team and shadow ministers. Labour's approach in key areas including energy, transport, housing and the economy will be particularly important in the coming months. We have already secured policy commitments on supporting financial mutuals, credit



unions and banking transparency from Shadow Treasury team. The Shadow Energy team have shared our concerns about the impact of government policy on community owned renewable energy schemes and have been vocal in their support. Shadow Transport Ministers have been supportive of our People's Bus campaign and there will be further joint working on this in the months ahead.

As Labour's formal policy making process re-starts in the coming months the Co-operative Party will continue to play a positive role in the National Policy Forum, making the case for co-operative and mutual solutions.

Following the September re-shuffle, the Co-operative Party was well represented, with six members of the Shadow Cabinet: Seema Malhotra MP – Shadow Chief Secretary to the Treasury; Luciana Berger MP – Shadow Minister for Mental Health; Lord Steve Bassam – Chief Whip (Lords); Baroness Angela Smith - Shadow Leader of House of Lords; Lucy Powell MP - Shadow Education Secretary and Jonathan Ashworth MP as a Shadow Cabinet Office Minister. Co-operative MPs and Peers are also serving as shadow junior ministers across a range of departments and as the Chairs of three crucial select committees.

# Shared Economy

During Co-operatives Fortnight the Party hosted a roundtable table discussion with representatives from the co-operative movement, Trade Unions, employee ownership experts and think tanks entitled 'People Powered Productivity'. The event was aimed at influencing the debate around improving productivity and advocating the benefits of increased employee engagement, employee ownership and profit sharing.

# Community Energy Tax Relief Changes

In October, the Government announced changes that will leave the co-operative and community energy sector unable to benefit from vital social investment tax reliefs. This has come has a great disappointment to the sector and wider co-operative movement and came despite previous public assurances from Ministers to the contrary. Chair of the Co-operative Party's Parliamentary Group, Gavin Shuker MP, wrote to the Chancellor of the Exchequer to highlight the impact on the community energy sector and to ask for a re-think. The letter was covered on the Left Foot Forward news and comment site. Labour & Co-operative MP, Steve Reed, also raised the issue in Business Questions and has asked the Speaker for Parliamentary time to debate the issue. Party staff and Party Parliamentarians have been liaising with Community Energy England, Co-operatives UK and other interested bodies over this very serious situation.

# Co-operative Housing

The Party's Chair, Gareth Thomas MP continues to show what is possible in terms of improving legislation for co-operatives and mutuals from the opposition benches. During the passage of the Housing Reform Bill, working with the sector, Gareth has brought the concerns of the Co-operative Housing sector to the attention of Ministers. Further work on this will continue during the later Parliamentary stages of the Bill in 2016.

# Financial Diversity

During the passage of the Bank of England and Financial Services Bill in the House of Lords the Co-operative Party was able to support the work of the Building Societies Association in seeking to secure amendments that would, for the first time, place a duty on the Government to promote financial diversity within financial services. This is a move that would greatly help the building societies, mutual finance and credit union sectors. In light of the support for the issues raised, the Government has had to think again and bring forward its own amendments. The Co-operative Party will continue to work with the sector and other parties to get the strongest commitment possible when the Bill comes back to the Commons.

# Future of the banking system

On 5 November, Co-operative MP Kate Osamor led a debate on the future of the banking system, in light of the sale of RBS shares by Government. During the debate she made the case for a review of the banking system, which would address the implications for our economy of the make-up of the UK banking sector and the case for establishing new models of banking, including regional banks. Speaking in the debate Kate Osamor said:

"The UK has the most concentrated and homogenous banking sector in the developed world. Just 3% of our banking system is locally controlled, compared with two thirds of that in Germany. We are also uniquely reliant on shareholder-owned banks at the expense of other ownership models. This lack of diversity makes us uniquely vulnerable to financial crises. Breaking up RBS and localising our banking system would make us more resilient to future shocks. Local banks also provide a means through which we can rebalance the economy, as the UK has the most regionally unbalanced economy of any European country. Studies find that local banks in other countries help prevent capital from being sucked into big cities, and spread jobs and lending more evenly across the country."

## The People's Rail Ten Minute Rule Bill

In the first half of 2015 the Labour & Co-operative Party MP Andy Sawford ensured that the Party's proposals for mutual solutions to be adopted on the UK rail network were given Parliamentary time by bringing forward a Private Members Bill on the subject.

This Bill would have ensured that the passenger and employee voice was 'hard wired' in to the structure of the network and would have played a key role in the governance of the infrastructure and service delivery. The Bill received widespread support including from relevant Shadow Ministers, but unfortunately was not taken forward by Ministers.

#### In Scotland

The Agenda for Scotland will be launched at Scottish Labour Conference in Edinburgh in March 2016, containing our proposals for developing a shared economy in Scotland. We have advanced these ideas further in our contribution to the Scottish Labour policy process and in our own policy development ahead of the Scottish election in 2016.

The Scottish Co-operative Party played a full part in the Scottish Labour Party's Policy Forum process. Our three members of the Scottish Policy Forum were very successful, with only one of our amendments not being accepted, and this contributed to a strong co-operative thread running all the way through the Scottish Labour Party's policy offer ahead of the 2016 Holyrood elections.

The final document committed Scottish Labour to promoting a democratic economy including a review of the functions of Co-operative Development Scotland. We were successful in getting support for the co-operative model at all levels on education. We were very pleased that our campaign for mutual, not-for-profit buses was supported in the Scottish Policy Forum. There was also strong support for mutual ownership of land and of football clubs.

The Scottish Co-operative Party continues to maintain good working relationships with trade unions, including holding stalls at the STUC Congress in Ayr in April and the STUC Women's Conference in Dundee in November.

MSPs supported the Keep It Co-op campaign in the media and the Chair of our MSP Group Johann Lamont MSP wrote an article for Labour Home, as well as promoting it amongst other trade unionists especially at the STUC Congress in Ayr. Delegates from many trade unions in Scotland supported the Keep It Co-op campaign.

Throughout the year, the Scottish Co-operative Party campaigned for fan ownership of football clubs in Scotland. We developed a response to the Scottish Government's consultation on greater fan participation in football clubs during the year, submitting it in early 2016, and ran a campaign around fan ownership of football clubs in December 2015 and January 2016.

We gave practical support to campaigns around the issue of tax relief for Community Renewable Energy schemes. We have also encouraged our politicians to support co-operatively owned community renewables.

The Scottish Co-operative Party launched a new Facebook page, which works in tandem with our twitter feed, and we have worked to improve the Scottish presence online.

#### Scottish Labour Party Conference

The Scottish Co-operative Party ran a busy stall at the Scottish Labour Party Conference in Perth at the end of October, with many delegates coming along to sign up to our campaign for a People's BBC. The Party ran two fringes, one on community energy entitled 'Power to the People' and one on land reform entitled 'Land for the People.'

There were several speakers from the Scottish Co-operative Party at the conference. We gave sororal greetings and spoke on topics including TTIP (Transatlantic Trade and Investment Partnership), housing and the Trade Union Bill.

#### **Community Ports**

Claudia Beamish, Labour & Co-operative MSP has been championing community ownership of harbours using the example of Portpatrick Harbour in her regional constituency. Speaking in the Scottish Parliament during a debate on the Harbours (Scotland) Bill she said: "Our ports and harbours can be the beating hearts of coastal communities, and this is certainly true in Portpatrick Harbour, a community owned harbour in my region. Their story is inspiring, and I commend the Portpatrick Community Benefit Society for the innovative action they took to save the lynchpin of the local economy. The Portpatrick Harbour Community Benefit Society arranged qualification to be the first Scottish charitable community benefit society, and was able to secure Portpatrick Harbour into full community ownership in August 2015 by selling community shares."

#### Local Government

Both Glasgow and Edinburgh Councils – with strong political leadership from Co-operative Party councillors – continue to drive the co-operative agenda in Scottish Local Government. Co-operative councillors from across Scotland have met regularly over the year and have discussed issues including bus services, land reform and work with the co-operative sector.

#### Not for profit Buses

The Party recently launched a Scottish campaign for not-for-profit buses and will be looking to raise this matter in the Scottish Parliament and in council chambers across Scotland.

### In Wales

#### **Policy**

Members, along with experts from the movement, took part in policy workshops and consultations throughout the year on the Party's 'Co-operative Agenda for Wales 2016'. The summary of recommendations was launched at Annual Conference prior to the planned publication of the full document in January 2016.

Alongside this, the Party worked closely with the Labour Party to ensure that co-operative and mutual solutions continue to be at the forefront of Labour's policy in Wales. Welsh Labour's National Policy Forum in November endorsed a section in the policy document on support for co-operatives and mutuals.

The Party also contributed to Welsh Government consultations and inquiries, for example on public service mutuals and on bus and community transport; and worked with the Wales Co-operative & Mutuals Commission Advisory Group to agree an implementation plan for the Commission's recommendations.

#### In the Assembly

The Co-operative Party has continued to show cross party leadership, with regular meetings of AMs from all parties convened by the Chair of the Cross Party Group on Co-operatives & Mutuals, Mick Antoniw AM.

The nine Co-operative AMs in the Assembly worked to ensure that the Welsh Government continues its strong support for the co-operative and mutual

sector. Huw Lewis AM serves as a member of the Cabinet as Minister for Education and Skills and has ensured that co-operative sector expertise helps to inform the curriculum review. Vaughan Gething AM is also a member of the Welsh Government in the key role of Deputy Minister for Health.

Throughout 2015, more members were added to the Co-operative Party's Assembly Panel and took part in selections across the country. By December, seventeen Labour & Co-operative candidates had been selected to contest the elections in May 2016 – our highest ever number. Twelve of these were selected for constituencies currently held by Labour or Labour & Co-operative AMs.

The Co-operative Party in Wales has also affirmed its support for Rt. Hon. Alun Michael, standing for a second term as Labour & Co-operative Police and Crime Commissioner for South Wales.

#### The Mutuals Alliance

The Mutuals Alliance, a new body to represent and unite the co-operative movement in Wales will be launched formally in the new year. The Party has worked to develop the Mutuals Alliance and has served on the steering committee. The Mutuals Alliance is already recognised by the Welsh Government in consultations such as on Public Service Mutuals, and is playing a role on implementation of the recommendations of the Co-operative & Mutuals Commission.

### Co-operative Housing in Wales

Following the Housing (Wales) Act introduced by Labour & Co-operative Minister, Huw Lewis AM, and the recommendations of the Co-operatives & Mutuals Commission, the co-operative housing sector in Wales has continued to develop significantly with new build co-op housing and with the conversion of Merthyr Valleys Homes to a tenant and staff mutual.

# Elected representatives

Objective: our politicians at all levels are the best they can be, which includes nurturing and developing co-operators from across the movement to become the politicians of the future.

#### In Westminster

As a result of the Co-operative Party's electoral agreement with the Labour Party, the Co-operative Party stands candidates jointly in elections at all levels. During the General Election campaign, the Co-operative Party mobilised members in support of Co-operative candidates. We held a successful 'Super Saturday' at the end of January which saw Co-operative Party members, staff and members of the NEC campaigning for each of the Co-operative Party's Parliamentary candidates.

Following May's General Election, the Co-operative Party had twenty-four MPs in Parliament. We are delighted to welcome our new MPs Kate Osamor, Rachael Maskell and Anna Turley to the Westminster Parliamentary Group.

It was hugely disappointing that some very committed Co-operative MPs lost their seats at the election. The Co-operative Party would like to thank Ed Balls, lan Davidson, Gemma Doyle, Tom Greatrex, Cathy Jamieson, Mark Lazarowicz, and Andy Sawford. Also missed are Andy Love (Edmonton), Meg Munn (Sheffield Heeley) and Linda Riordan (Halifax) who stepped down from their Parliamentary seats at the election.

Jim McMahon was elected as the Labour & Co-operative MP for Oldham West and Royton in the Parliamentary by-election held in December.

The work of our Prospective Parliamentary Candidates (PPCs) in supporting the Party in the lead up to the election must also be acknowledged. We thank Sarah Owen (Hastings & Rye), Sharon Taylor (Stevenage), Andrew Pakes (Milton Keynes South), Luke Pollard (Plymouth, Sutton and Devonport), Louise Baldock (Stockton South), Rowenna Davis (Southampton Itchen), David Drew (Stroud), Melanie Ward (Glenrothes) and Richard Baker (Aberdeen North) for their dedication over the many months of campaigning.

The Westminster Parliamentary Group meets on a monthly basis and speakers in 2015 included Ed Mayo, Ed Balls, Ed Miliband, Mervyn Wilson, Paul Monaghan from the Fair Tax campaign and Mark Lyonette from ABCUL.

Labour	۷,	$\bigcap$	nerative I	Mem	hers of	Parliamer	nt (Ma	v 2015 - )
Labour	X		perative i	VICIII	DEI 3 UI	i arnamei	it (ivia	$y \perp U \mid J = J$

Jon Ashworth MP (Leicester South)

Adrian Bailey MP (West Bromwich West)

Luciana Berger MP (Liverpool Wavertree)

Stella Creasy MP (Walthamstow)

Geraint Davies MP (Swansea West)

Stephen Doughty MP (Cardiff South & Penarth)

Louise Ellman MP (Liverpool Riverside)

Chris Evans MP (Islwyn)

Mike Gapes MP (Ilford South)

Mark Hendrick MP (Preston)

Meg Hillier MP (Hackney South & Shoreditch)

Chris Leslie MP (Nottingham East)

Seema Malhotra MP (Feltham and Heston)

Rachael Maskell (York Central)

Jim McMahon (Oldham West & Royton)\*

Kate Osamor (Edmonton)

Lucy Powell MP (Manchester Central)

Steve Reed MP (Croydon North)

Jonathan Reynolds MP (Stalybridge and Hyde)

Barry Sheerman MP (Huddersfield)

Gavin Shuker MP (Luton South)

Gareth Thomas MP (Harrow West)

Stephen Twigg MP (Liverpool West Derby)

Anna Turley (Redcar)

John Woodcock MP (Barrow and Furness)

<sup>\*</sup>Elected in December 2015

Labour & Co-operative Members of the House of Lords			
Lord Bassam of Brighton	Lord Moonie		
Lord Davies of Coity	Baroness Nicol		
Lord Foulkes of Cumnock	Lord Patel of Bradford		
Lord Graham of Edmonton	Baroness Smith of Basildon		
Baroness Hayter of Kentish Town	Baroness Thornton		
Lord Kennedy of Southwark	Lord Thomas of Macclesfield CBE		
Lord Knight of Weymouth	Lord Tomlinson of Walsall		
Lord McAvoy	Lord Touhig		
Lord McFall of Alcluith			

Baroness Nicol and Lord Thomas are currently on leave of absence.



## The Labour Deputy leadership

In June, the NEC endorsed Labour & Co-operative MP, Stella Creasy to be Labour's next deputy leader. Stella came second in the election.



### London Mayoral campaign

The London Co-operative Party endorsed Labour & Co-operative MP Gareth Thomas for Labour's candidate for Mayor of London.

# In Scotland

Labour & Co-operative MSP Kezia Dugdale was elected in August as Leader of the Scottish Labour Party. Kezia is a committed co-operator and has previously served as Chair of the Scottish Co-operative Party group of MSPs.

Members of the Scottish Parliamentary Group			
Claudia Beamish MSP South of Scotland James Kelly MSP Rutherglen			
Kezia Dugdale MSP	Lothian	Johann Lamont MSP	Glasgow Pollock

During 2015, selections for the May 2016 elections constituency candidates have been ongoing.

Candidates selected for the Scottish Parliament elections 2016			
Claudia Beamish	Clydesdale & South of Scotland Region		
Neil Bibby	Paisley & West of Scotland Region		
Sarah Boyack	Edinburgh Central & Lothian Region		
Bill Butler	Glasgow Anniesland & Glasgow Region		
Joe Cullinane	Cunninghame South & West of Scotland Region		
Kezia Dugdale MSP	Edinburgh Eastern & Lothian Region		
Rhoda Grant	Western Isles & Highlights & Islands Region		
Cara Hilton	Dunfermline & Mid Scotland & Fife Region		
Lesley Hinds	Edinburgh Northern & Leith & Lothian Region		
James Kelly	Rutherglen & Glasgow Region		
Johann Lamont	Glasgow Pollok & Glasgow Region		
Mary Lockhart	Mid Scotland & Fife		
Ken Macintosh	Eastwood & West of Scotland Region		

Richard McCready	Dundee City East & North East Scotland Region
Siobhan McCready	Greenock & Inverclyde & West of Scotland Region
David Stewart	Inverness & Nairn & Highlands & Islands Region

# In Wales

Members of the Welsh Assembly			
Mick Antoniw AM	Pontypridd	Ann Jones AM	Vale of Clwyd
Christine Chapman AM	Cynon Valley	Huw Lewis AM	Merthyr Tydfil & Rhymney
Alun Davies AM	Blaenau Gwent	Sandy Mewies AM	Delyn
Vaughan Gething AM	Cardiff South & Penarth	Lynne Neagle AM	Torfaen
John Griffiths AM	Newport East		

Candidates selected for the Welsh Assembly elections 2016				
Constituency				
Mick Antoniw AM	Pontypridd	Ann Jones AM	Vale of Clwyd	
Alun Davies AM	Blaenau Gwent	Huw Lewis AM <sup>1</sup>	Merthyr Tydfil & Rhymney	
Julia Dobson	Ynys Mon	Jeremy Miles	Neath	
Rebecca Evans AM	Gower	Lynne Neagle AM	Torfaen	
John Griffiths AM	Newport East	Rhianon Passmore	Islwyn	
Vaughan Gething AM	Cardiff South & Penarth	Lee Waters	Llanelli	
Huw Irranca Davies	Ogmore			

Regional:			
Mary Wimbury	North Wales	Anna McMorrin	South Wales Central
Ceri Reeves	South Wales West	Debbie Wilcox	South Wales East

Huw Lewis announced in January 2016 that he would not be seeking re-election. 1

#### In Northern Ireland

The Co-operative Party is not registered as a Political Party in Northern Ireland and does not stand candidates for election. Members of the Party may join the SDLP or the Labour Party, and members of the SDLP seeking election may seek the Co-operative Party's support. The Labour Party does not currently stand candidates in Northern Ireland.

Claire McCarthy represented the Co-operative Party at the British and Irish Labour Party Consultative Forum at Labour Party conference, and the NEC will continue to keep the Party's role in Northern Ireland under review.

The NEC member for Scotland and Northern Ireland has maintained regular contact with the NI Party, and membership increased by 17% in 2015.

## Local Government

## The London Assembly

Candidates for the London Assembly elections 2016			
Jennette Arnold	North East	Joanne McCartney	Enfield & Haringey
Leonie Cooper	Merton & Wandsworth	Florence Nosegbe	Lambeth & Southwark
Unmesh Desai	City & East	Onkar Sahota	Ealing & Hillingdon
Andrew Dismore	Barnet & Camden	Martin Whelton	South West
Len Duvall	Greenwich & Lewisham		

London-Wide Assembly Candidates				
Emily Brothers	Lisa Homan	Alison Moore		
Tom Copley	Sara Hyde	Murad Qureshi		
Nicky Gavron	Mike Katz	Fiona Twycross		

#### Local councils

Since the beginning of the recession local government has demonstrated its ability and wiliness to innovate in tough times. Co-operative values have been at the heart of much of this innovation – working to develop and support co-operatives and social enterprises to create local growth and jobs, supporting families in tough times and finding new ways to provide local services that might otherwise be lost altogether. But there is much more to do and the Co-operative Party wants to play an even bigger role in supporting our army of Co-operative Councillors to lead this work in the future.

There are more than 500 official Labour & Co-operative Councillors in Britain and hundreds more Labour Councillors who are members of, and support the aims of, the Co-operative Party. In May 2015, 247 candidates stood for election to be Labour & Co-operative councillors across England.

At Co-operative Party conference in September, the Co-operative Party Councillors Network was re-launched with Councillors from across the country coming together to share experiences and good practice.

The Party is now providing more regular information to our Councillors on issues of relevance to support them to promote co-operative solutions and the co-operative movement locally. This has included tailored information on the Fair Tax Mark, not-for-profit models of bus provision and music teacher co-ops.

We are working with Party Councils and branches to develop the role of Co-operative Councillors and provide new guidance on selection and accountability.

The Co-operative Party continues to work with the Co-operative Councils Innovation Network and has a representative on its Values and Principles Committee.

In 2016 the Co-operative Party will appoint a Local Government Officer to lead this work within the staff team.

#### Police and Crime Commissioners

The Co-operative Party is proud to have two elected Police and Crime Commissioners, Rt. Hon Alun Michael, the Police and Crime Commissioner for South Wales and Ollie Martins, the Police and Crime Commissioner for Bedfordshire. The Party will continue to work with them ahead of the elections in May 2016.



# The Membership Experience

Objective: that Co-operative Party membership is growing, sustained by the best membership experience of a political party in Britain. Our members are innovating, supporting each other, and are rooted in the co-operative movement.

## Membership Numbers

Section	2015	2014	2013
Brussels	11	11	10
East	810	812	820
East Midlands	651	642	642
London	1653	1563	1487
National Party	21	38	10
North East & North Cumbria	398	360	356
North West	1026	941	1001
Northern Ireland	47	40	42
Scotland	664	610	649
South East	872	809	786
South West	635	582	599
Wales	439	405	380
West Midlands	616	571	586
Yorkshire & the Humber	617	552	563
Total	8460	7936	7931

## Membership

From playing a role in our member-led policy process, to electing our NEC, having a say in selections, and running campaigns and activities across the country, we aim to put members at the heart of what we do.

We continue to improve our membership experience to better reflect how members see their Party and how they wish to engage with it. With changes to how and when we communicate with members, greater opportunities to become more involved and the development of new partnerships across the movement, we're seeing more of our members renew their membership every year.

In January, we launched our new members' magazine to sit alongside our online communications. This has given us a platform to set out our ideas and agenda, share our successes and get members involved in our campaigns and activities.

In May, we launched our most successful recruitment initiative, with 1,000 new members joining in just a few months. We're growing the Party with a simpler online application form, incentives for recruitment by local branches, and promotion of the Party at events across the labour and co-operative movements. Almost all regions and nations saw an increase, with our membership now more reflective of the country as a whole, with more young people, more women and more BAME members.

Members were also essential in taking the Co-operative Party into hundreds of communities across the UK. They worked hard to help to elect Co-operative MPs and councillors, campaigned for co-operative values and policies, and championed their local co-operative movement.

We are also working to support members' work across Party boundaries with the launch of the Co-operative Councillor Network and Co-operative Action Network. Young members elected a new Co-operative Party Youth National Committee in August.

To recognise the great work of our members, the Party introduced a new recognition award with a presentation at Conference to a number of members in recognition of their contribution to the work of the Party.

We have continued to make it easier to join the Party, with new methods of payment, monthly and concession rates. The move to a national membership system also transferred membership administration from branches to the National Party, giving local officers more time to focus on the development of their local activities. This process has resulted in the Party identifying five hundred members who had left the Party in previous years but had remained on the membership list, accounting for the fall in certain regions.

A key element of local membership activity is to engage with the co-operative movement, including getting involved with local societies and member meetings.

We also launched new benefits for members, including discounts with Co-operative News, Co-operative Energy and the Phone Co-op. Members are also now able to join and utilise the Co-operative Credit Union.

## Party Councils and Branches

Party Councils and branches are the backbone of local activity and are the main way that members engage with and become active in the Party. There are 35 local parties across the UK, made up of around two hundred branches.

The Party Councils co-ordinate the Party's work in their area, distribute funding to branches, nominate delegates to attend Party Conference and oversee the selection of candidates.

Local Co-operative Parties vary in size – some like Dorset have a single branch, while others such as London have more than 30. Some local parties cover an entire nation, such as Scotland, or region in the case of Yorkshire and the Humber. Other regions such as the East Midlands have several local parties. Most local Co-operative Parties are supported by a co-operative society, but in cases where this is not possible 'voluntary' parties exist, for example, the Coventry and Warwickshire Party.

Party Councils and branches provide a forum for political and policy discussion. They organise events and training for members and supporters; and they work to engage and support their local co-operative movement. Regional Parties, local Parties and branches affiliate to their local Labour Parties and delegate representatives to attend National and Regional Labour Party executives and Constituency Labour Parties.

During the year local Co-operative Party educational events were held in Hampshire, Sussex, Nottingham, Suffolk, London and Lancashire with co-operative history and co-operative Enterprise amongst the main topics. Many local branches were involved in activities to celebrate Co-operatives Fortnight including social events, street stalls and educational talks, as well as organising and taking part in 'clean-ups' as part of Co-operatives UK's national campaign.

Party Council Secretaries are the main points of contacts and they are listed on pages 40-41.

Party staff aim to provide practical help and advice to officers in Party Councils and branches. During 2015 this included attending meetings and providing additional support to Party Councils across the country including Midcounties Oxford & Swindon and Midcounties Gloucester Party Councils; the Central England Parties; Chelmsford, East of England and Co-operative Group Party Councils in London, Hampshire & Isle of Wight, North West, Notts., Lincs. and Erewash, plus our Regions in the South East, and West Midlands, and our Councils in Wales and Scotland.

The Party provided organisational support for two weekend training events held by the South West Party Council and the West Midlands Parties.

The Chair of the Youth Committee attended the AGM of Students for Co-operation to develop new partnerships with the organisation and its members.

Co-operative Party Stalls were held at all Regional and National Labour Party Conferences.

## Local Co-operative Parties

Party	Supporting Society	Party Secretary
East Midlands		
Central England Eastern & Southern	Central England	Glenda Weston
Central England Northern	Central England	Tricia Goodwin
Nottingham, Lincolnshire & Erewash	The Co-operative Group	Georgina Burdett
East		
Central England Anglia	Central England	Vince Moon
Cambridge & South & West Essex	The Co-operative Group	Swatantra Nandanwar
Chelmsford	Chelmsford Star	Valerie Sullivan
East of England	East of England	Bill Knowles
Hertfordshire & Bedfordshire	The Co-operative Group	Lin Martin-Haugh
London		
London	The Co-operative Group	Phil Portwood
Northern Ireland		
Northern Ireland	The Co-operative Group	Douglas McIldoon
North East & North Cumbria		
North East & North Cumbria	The Co-operative Group	Peter Smith
North West		
Cheshire East	The Co-operative Group	David Spall
Manchester & District	The Co-operative Group	Anne Unwin
North West North	The Co-operative Group	Gary Booth
Scotland		
Scotland	The Co-operative Group & Scotmid	Marjory Smith

South East		
Hampshire & Isle of Wight	The Co-operative Group	Geoff Wade
Kent	The Co-operative Group	Valerie Ashenden
Midcounties Oxfordshire	Midcounties	Sheila Allen
Surrey, Berkshire & Buckinghamshire	The Co-operative Group	Lynda MacDermott
Sussex	The Co-operative Group	Philippa Thompson
South West		
Bath & West	The Co-operative Group	Jack Whitehead
Bristol	The Co-operative Group	Simon Crew
Dorset	The Co-operative Group	Mike Goff
Midcounties Gloucester & Swindon	Midcounties	Sheila Allen
South West Peninsula	The Co-operative Group	Saxon Spence
Wales		
North & Mid Wales	The Co-operative Group	KC Gordon
South Wales	The Co-operative Group	Barclay Davies
West Wales	The Co-operative Group	Suzy Curry
West Midlands		
Central England Western	Central England	Rupinder Singh
Coventry & Warwickshire	Voluntary	Rupinder Singh
Midcounties West Midlands	Midcounties	Colin Wilkes
North Staffordshire	The Co-operative Group	David Spall
West Mercia	The Co-operative Group	Martin Jones
Yorkshire & the Humber		
Yorkshire & the Humber	The Co-operative Group	John Drewery
Brussels		
Brussels	Voluntary	Toby Johnson

### **Events**

The Co-operative Party holds a number of events each year for members to attend and in addition supports Party Councils and branches to organise local and regional events. Some highlights for 2015 included:

### **Labour Party Leadership Hustings**

Labour Party Leadership Hustings were held on Tuesday 21 July. All the leadership candidates took part as well as four of the five deputy leadership candidates. Over 200 Co-operative Party members and supporters attended, with great questions from the audience and a lively atmosphere. The event was covered on the BBC TV 10 o'clock news as well as the Guardian website and Co-op News. Around 130 people watched the event live online and the proceedings have subsequently been watched more than seven hundred times on YouTube

### **Labour Party Conference**

As always, the Co-operative Party had an active presence at the Labour Party conference, which was held in Brighton in 2015. The Party held fringe meetings on 'Promoting Co-operative Local Economies' and 'Right to mutualise – what's left about it?' These meetings brought together politicians, trade unionists, and co-operative movement experts with Labour delegates and visitors. The Party also held its Annual Reception. This year the Party was pleased to co-host with ASLEF (the train drivers' union), and were delighted to welcome the Labour Leader Jeremy Corbyn and Deputy Leader Tom Watson, who both spoke passionately about their commitment to co-operation.

### Future of local government

in July activists from the Co-operative Party came together for an event in Birmingham on the future of Local Government. Attendees discussed how co-operators could influence the new devolution settlements in Manchester and the West Midlands and the work of existing co-operative councils including Plymouth City Council.

### Co-operatives Fortnight

The Party was represented at Co-operative Congress, where we had a stall and members, including Labour & Co-operative MP Adrian Bailey, actively engaged in the debates and discussions.

### Co-operatives in Local Communities event

The Party held an event in Parliament in partnership with the London Co-operative Party. This focused on the difference being made by in the co-operative movement in local communities. There were great speeches from Linda Wallace from CDS, Glen Barnham from the National Members Council of the Co-operative Group and Paul Monaghan from Co-operative Energy.

### Co-operative Action Network

The Party has held Co-operative Action Network (CAN) events across the country. These CAN events are designed to provide members and supporters with the practical skills and inspiration to lead local campaigns and projects based on co-operative values. We held CAN workshops in Trafford, York, Sheffield and London. At each event participants planned four campaigns, ranging from supporting cooperative food production to producing a 'curriculum for life' film and supporting cooperative housing models. More events are planned for 2016.

### Stalls and presence at co-operative movement events:

The Co-operative Party supported and attended events organised and hosted by a range of co-operative movement organisations including:

- Co-operative Futures Conference
- The Supporters Direct members' day and summit in Manchester
- Co-operative Ways Forward 3: A New Era for Co-operative Development
- UK Society of Co-operative Studies Conference
- Co-operatives UK Practitioners Forum sharing best practice with Co-operative Professionals from across the UK
- Co-operatives UK Regional Co-operative Councils



# Annual Conference

This year the Co-operative Party's Annual Conference was held in London, and was entitled 'The Party, the Politics and the Movement'. It bought together participants from across the Co-operative Party, the co-operative movement and the labour movement and was attended by over 300 delegates, visitors and guests, including elected representatives from all levels of government and co-operative movement figures including the Party's subscribing societies. Participants took part in policy discussions, Q&A sessions and training events.

### Keynote speakers included

Gareth Thomas MP (Chair of the Co-operative Party), Stella Creasy MP (Labour & Co-operative MP for Walthamstow), Gavin Shuker MP (Labour & Co-operative MP for Luton South), Vaughan Gething AM (Deputy Minister for Health in the Welsh Government), Dave Ward (General Secretary of the Communications Workers Union)

#### Panel discussions

- 'The Party & Movement' panel discussion with Rt. Hon. Hazel Blears (the Co-operative Group Board), Ramsay Dunning (Co-operative Energy), Simon Parkinson (the Co-operative College) and Linda Wallace (CDS Housing).
- 'Co-operative values at the heart of local government' debate with Steve Reed MP, Cllr Chris Penberthy and Cllr Chris Herries.
- 'Co-operative Campaigns for the Future' debate with Luke Pollard and Lord Kennedy of Southwark.
- 'Parliamentarians Q&A' with Steve Reed MP, John Woodcock MP, Meg Hillier MP, Vaughan Gething AM, Lord Foulkes, Baroness Thornton, Stephen Twigg MP, Mark Hendrick MP, Barry Sheerman MP and Gavin Shuker MP.

### Fringe events

were held in partnership with the following organisations:

- SERA Beyond the Bus Barons
- Fair for You Co-operative Innovations
- National Federation of Progressive Co-operators Co-operative Financial Services: What is the Future?
- Labour Movement for Europe the case for remaining in the EU
- ABCUL supporting sustainable credit union growth
- ERS the future of political parties
- SEUK social enterprise: friend or foe?

### Workshops & training events

How councillors can support the co-operative movement; how can members get involved and support the wider movement; taking the Co-operative Party policy process forward to 2020; the power of stories: introducing personal narratives; how can local parties support and develop the wider movement; how to become a Co-operative Candidate; local Co-operative Campaigns and Communication; and co-operative education: a workshop for school governors.

### The Annual Conference Dinner

The Annual Conference Dinner was hosted by Dame Pauline Green, outgoing President of the International Co-operative Alliance and addressed by Lord Maurice Glasman, the founder of Blue Labour.

# The Co-operative Movement

Objective: Working in partnership with our members and the co-operative movement, we will extend the range of people and organisations we work with closely. As a result, we hope the co-operative movement will be proud of us, even those who are not voting for our candidates.

### Armed Forces Credit Union

Following a determined campaign by Co-operative Party MPs and Peers, the Royal British Legion and the Association of British Credit Unions Ltd (ABCUL), we are delighted that, in July, the Ministry of Defence launched an Armed Forces Credit Union for British soldiers and their families. A quarter of those in our armed services earn less than £21,000 and are often targeted by payday lenders.

### **Enabled Works**

is a not for profit social enterprise specialising in packing, distribution, electro/ mechanical assembly & fulfilment, which was

formed in October 2012 in response to the closure of Leeds and Pontefract Remploy Factories. This co-operative company, owned and run by its own disabled workforce became a subscribing

member of the Party in 2015.



## Repowering London

specialises in co-producing community energy programmes with community groups and Local Authorities. It supports communities to deliver, own and manage renewable energy projects that provide benefits to the citizens that surround them. The Party published a policy pamphlet in partnership with Repowering London entitled 'the next generation: supporting a revolution in community owned renewable energy'.

### The Fair Tax Mark

is a new standard in responsible tax practice. It is for companies and organisations that are proud to pay their fair share of tax. The Mark reassures consumers that a company is open and transparent about its tax affairs and seeks to pay the right amount of corporation tax at the right time in the right place. The Co-operative Party has promoted the Fair Tax Mark and applied for accreditation.

## Principle 6 Data Project

The Party initiated a working group of individual co-operatives and organisations including Open Corporates, ICA and Co-ops UK to look at how the movement uses data, and how the flow of data between organisations can be streamlined.

The outcome is the P6 (Principle Six) Data project, which in the immediate term aims to develop an open data standard for co-ops. The eventual aim is to create a freely-available, data source containing real-time information about co-operative organisations across the UK.

The Party facilitated the initial meetings of the new Group, as well as providing it with a website, brand identity and other practical support.

## Affinity schemes and partnerships

The Co-operative Party worked with other Co-operatives to encourage Party members to increase their trading with co-operative businesses. This included affinity schemes with Co-operative Energy, Co-operative Phone & Broadband, Co-operative News, Co-operative Credit Union and Revolver Coffee.



# Operations & Governance

Objective: Our operations and governance are the best of the political parties in Britain – ethical politics in deed and fully digitally enabled.

### National Executive Committee (NEC)

The NEC is elected every three years. The current members were elected in in 2014 (\* indicates exceptions to this) to serve until June 2017. New rules for that election introduced one member one vote (OMOV) for the English regional seats, Scotland & Northern Ireland and Wales. Two seats are elected by and from independent societies and two seats are nominated by the Co-operative Group.

In 2015 there were two by-elections. Jean Nunn Price was nominated by Midcounties Society to join the NEC as a representative for the Independent Societies, following the resignation of Marjory Smith of ScotMid. Gary Booth was elected in an OMOV election by members in the North West Region, following the resignation of Nick Crofts.

At the AGM of the NEC, Gareth Thomas MP was re-elected Chair, with Chris Herries as Vice Chair. The NEC held several meetings and phone conferences during the year, including two full weekend strategy meetings in July and November

National Executive Committe	e 2015	
Eastern	Chris Herries (Vice Chair)	A, S, R, F
East Midlands	Clare Neill	A, P
London	Gareth Thomas MP (Chair)	S, P
North East & Cumbrian	Sarah Gill	D, P, NPF, F
North West	Nick Crofts (until July 2015)  * Gary Booth (elected Dec 2015)	A, NPF, F
Scotland & Northern Ireland	Jim Lee	А
South	Lis Telcs	CAC, D
South West	Paul Bull	D, F
West Midlands	Elaine Kidney	Р
Wales	Rt. Hon. Alun Michael	D, P, R
Yorks & Humber	Cheryl Barrott	P, R, F CAC
Youth	Katie Corrigan	Р
Independent Societies	Ian Miller Marjory Smith (until May 2015) *Jean Nunn-Price (elected Nov 2015)	S
Co-operatives UK	John Anderson	А
The Co-operative Group	Jenny Barnes Vacancy	S
Westminster Parliamentary Group	Gavin Shuker Cathy Jamieson MP (until May 2015) Anna Turley MP (from May 2015)	

## Key to Committee memberships:

Audit Sub-Committee	А	Labour National Policy Forum	NPF
Conference Arrangements Cttee	CAC	Policy Sub-Committee	Р
Disputes Sub-Committee	D	Rules Working Party	R
Fundraising Working Party	F	Staff & Remuneration Sub Cttee	S

## Conference Arrangements Committee (CAC)

2014/15	2015/16
Richard Bickle	Richard Bickle
Russell Porteous	Sabiha Shahzad
Nutan Modi	Peter Smith
Teresa Vaughan	Teresa Vaughan
Lis Telcs (NEC representative)	Lis Telcs (NEC representative)

### The Youth Committee

The Youth Committee was re-elected in August 2015, as follows:

Pouneh Ahari (West Midlands)	Saf Ismail (North West)
Stephen Brimble (South West), Co-Chair	Liam Preston (Eastern)
James Cleverley (Wales)	Stephen Stanners (North East & North
Katie Corrigan (NEC Youth Rep)	Cumbria)
Lewis Dagnall (Yorkshire & Humber)	Rachel Ward (London)
Michelle Harfield (South East)	Rhea Wolfson (Scotland), Co-Chair

### Staff

Conoral Socretary	Karen Christiansen (until Nov 2015		
General Secretary	Claire McCarthy (from Nov 2015)		
Deputy General Secretary	Karen Wilkie		
Head of External & Political Affairs	Claire McCarthy (until Nov 2015)		
National Political & Policy Manager	Joe Fortune		
Digital & Communications Officer	Ben West		
Political Officer (Scotland)	Richard McCready		

Membership Officer	Shane Brogan
Membership & Party Support Officer	John Boyle
Fundraising Development Manager	Alexandra Parsons (until July 2015)
Finance and Office Manager	Dorota Kseba
Executive Assistant	Issy Oozeerally
Membership Assistant	Joel Northcott (from Aug 2015)

Two members of staff were seconded for periods during 2015, with their salary costs being reimbursed in full. A new post of Membership Assistant was recruited in August.



# Operations

### Annual Conference 2015 – The Party, The Politics, The Movement

Following the announcement of Labour's special conference to announce the new Labour Leader and Deputy Leader, the decision was taken to change the planned date of the Annual Conference and AGM. This also led to a change in venue from Cardiff to London. Despite this, Conference was well supported and received positive feedback from delegates and visitors.

For the first time, the Annual Conference was combined with the National Training Weekend (previously known as Summerfest). This was judged to be a success, with a wider range of delegates and visitors attending and greater opportunity for participants to learn how to support the Party as activists, officers or elected representatives.

Annual Conference 2016 will take place in Cardiff from 10-11 September.

### Compliance

As both a political Party and a registered Co-operative Society, the Party has to comply with the Political Parties, Registration and Referendums Act 2000 and the Co-operative and Community Benefit Societies Act 2014, reporting to both the Electoral Commission and the Financial Conduct Authority. During election period in 2015, we reported to the Electoral Commission on a weekly basis.

The Party was proud to become accredited as a Living Wage Employer in 2015.

#### Finance and Audit

The Co-operative Party's accounts were taken 'in-house' from January 2014, having previously been managed by Co-operatives UK. In 2015 therefore, the first set of accounts under the new arrangements were successfully produced and audited.

## Co-operative Party Limited (Reg. No. 30027R)

# Board Report & Financial Review

#### Financial Review

With the Party's future income not secured – pending the vote at the Co-operative Group AGM in May – the NEC budgeted for a deficit of £84,000. This enabled funds from reserves to be allocated to the campaign to retain the support of the Party's largest subscriber.

The actual deficit at the year-end was reduced to just over £58,000.

Income from subscribing societies was slightly lower than in 2014, as were donations. Annual Conference income was also lower, following the late change to a new date and location and uncertainty earlier in the year on local parties' finances.

The main change to the income of the Party was the introduction of the national membership scheme. From 2015, individual members' subscriptions are paid to, and retained by, the national Party. This replaces the affiliation sums that local Parties paid previously. A portion of the individual membership subscriptions is now forwarded to Party Councils instead.

Much of the increased expenditure was related to the 'Keep it Co-op' campaign – this was mainly under Communications and Consultancy, Delivery & Research. Considerable savings were made however following the office move from London Bridge to Farringdon.

### Tax Policy

During 2015 the Party supported the Fair Tax Mark Campaign and reviewed the tax policies of Co-operative Party Ltd.

The Co-operative Party takes its tax obligations seriously. It seeks to comply with them in an open and transparent way with both its tax advisers and, through them, with HM Revenue & Customs.

It has for some time been agreed with HM Revenue & Customs that the Party is taxed in accordance with 'the mutuality principle'. What this, in effect, means is that the Party is seen as the representative of its members in undertaking activity on their behalf. The tax consequence is that the income received from members, including for supplying services to them, is not considered taxable. Nor is any tax relief given on any spending undertaken to supply this activity. The result is that much of the activity of the Party is outside the scope of corporation tax.

This is not the case when it comes to investment income. Since any such income would if received by the Party members be considered taxable so it is in the case of the Party itself. This is why tax liabilities have been reported in the Party's accounts in the past.

In fulfilling its obligations to HMRC the Party has agreed that it will take no artificial steps or enter into any arrangements, whether in the UK or offshore, to avoid the receipt of taxable income giving rise to a declarable tax liability. The Party is committed to paying all its taxes due at the right rate, in the right place and at the right time and believes that this commitment is a reflection of the political values it seeks to uphold.

### Membership

Members of the Co-operative Party in 2015 included 8,640 individual members and ten societies and affiliates:

- Central England Co-operative
- Chelmsford Star Co-operative
- Glenhall Housing
- The Co-operative Group
- Co-operative Press

- Co-operatives UK
- East of England Co-operative
- **Enabled Works**
- The Midcounties Co-operative
- Scottish Midland Co-operative

### Statement of Responsibilities of the Board

The Board are responsible for preparing the financial statements of Co-operative Party Limited in accordance with applicable law and regulations. The Board is required to prepare financial statements for each financial year and has 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 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 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 Co-operative and Community Benefit Societies Act. They have general responsibility for taking such steps as are 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 continued to review and report on internal financial controls in accordance with its Code of Governance, adopted in 2010. A review process will continue throughout future years and will be considered regularly by the NEC and its Audit Sub-Committee.

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.
- Considering reports from management and external audit on the system of internal control and any material control weaknesses.
- The Chair of the Audit Committee reports on all Audit Committee meetings to the NEC.

In 2010 the Board agreed to adopt the Co-operatives UK Corporate Governance Code of Best Practice, subject to 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.

#### 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 External Auditors

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

The system of internal financial controls is 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

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. Actual income and spend 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 Party. 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 has 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 some physical controls, some segregation of duties and external audit to the extent necessary to arrive at their audit opinions.

In 2014 the Finance Handbook was amended and expanded to meet the changes from bringing the accounts in house. In 2016 the Audit Committee will review the re-appointment of an Internal Auditor.

#### Information and Communication

The Party operates a membership database and communication takes place through a regular Officers' Support Mailing to local Party officers and activist direct member mailings as well as through social media.

Operation of the new membership database commenced in September 2013

### Monitoring

There are 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. Audit reports are 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 Board Members who held office at the date of approval of this Board Report confirm that, so far as they are each aware, there is no relevant audit information of which the Society's auditors are unaware; and each Board Member has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

### **Auditors**

Crowe Clark Whitehill LLP have been the Party's Auditors for the financial years 2011-15. In line with best practice, the NEC will invite tenders for the Party's Auditors for 2016 and make a recommendation to the AGM.

### **Going Concern**

The Board have prepared forecasts for the period to 31 December 2016, which indicate that the Society has sufficient committed subscription income and financial resources 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 69 – 85 are hereby signed on behalf of the National Executive Committee on 7th March 2016.

McCarthy

Claire McCarthy **General Secretary** 

#### CO-OPERATIVE PARTY LIMITED

# Independent Auditor's Report to the Members of Co-operative Party Limited

#### YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of the Co-operative Party Limited for the year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and the related notes numbered 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. 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 Auditors

As explained more fully in the Statement of Board's Responsibilities, the Board are responsible for the preparation of the financial statements and for being satisfied that they 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 Ethical Standards for Auditors

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Society's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Board Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2015 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of controls over transactions has not been maintained; or
- the Society 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 require for our audit.

**Crowe Clark Whitehill LLP** 

Crowe Clase Whitehell LLP

Statutory Auditor The Lexicon Mount Street Manchester M2 5NT

Date 7th March 2016

# Statement of Comprehensive Income

	Note	201	15	201	14
		£	£	£	£
Society Subscriptions	2	771,016		777,158	
Individual members	3	193,118		9,602	
Other Donations	4	5,535		26,169	
Local Party Affiliation Fees	5	-		164,640	
Conference Income		25,471		33,761	
Other Income		17,304		15,864	
Constituency Plan Agreements	8	16,605	_	35,920	
Total Income			1,029,049		1,063,114
Expenditure				£	
Salaries and salary related costs	6	506,700		485,702	
Occupancy costs		49,739		72,674	
Travel		33,452		26,662	
Events		71,862		51,064	
Communications		47,711		18,845	
Printing, publications and stationery		17,290		11,898	
IT & technical		18,037		10,583	
Professional fees		14,877		18,832	
Consultancy, delivery and research		75,898		25,409	
Bank charges		6,799		4,258	
Grants & donations	_	160,250		152,821	
Membership fees payable	7	28,304		-	
Depreciation and write offs		7,271		13,867	
Miscellaneous Bad debt provision		(2,364)		- 2,364	
CPA	8	51,572		110,250	
			 1,087,398		1,005,229
Surplus/ (Deficit) from Party activities					57,885
before interest and taxation			(58,350)		37,003
Interest		_	375	_	-
Surplus/ (Deficit) from Party activities before taxation			(57,975)		57,885
Corporation tax	9		(75)		-
Surplus/ (Deficit) for the year		_	(58,050)	_	57,885

The above relates entirely to continuing operations. There were no recognised gains or losses for 2015 or 2014 other than those included in the income and expenditure account. The notes on page 69-85 form part of these financial statements.

# Balance Sheet

	Note	2015		2014		
		£		£	£	£
Fixed Assets						
Tangible Fixed Assets	10			12,376		19,648
<b>Current Assets</b>						
Debtors	11		45,497		60,363	
Investments	12		25,375		25,000	
Cash in hand			500,807		460,879	
			571,679		546,242	
Creditors						
Amounts falling due within one year	13		(95,111)	_	(52,024)	
Net Current Assets				476,568	-	494,218
Total assets less current liabilities				488,944		513,866
Post-employment benefits	14			(33,126)		-
Net assets				455,818	-	513,866
Financed by Reserves						
Revenue	15			455,818		513,866
				455,818	-	513,866

The notes on pages 72 to 85 form part of these financial statements

well Thomas

Co-operative & Community Benefit Societies Act 2014 Registration No 030027R

There were no other changes in equity other than as disclosed in note 15.

The financial statements on pages 69 to 85 were approved and authorised for issue by the National Executive Committee on 7th March 2016 and signed on its behalf by:

Officer

deffermas

# Statement of Cashflows

	Note	2015	2014
		£	£
Net cash inflow from operating activities	19	39,928	91,307
Taxation paid	9	-	(697)
Cash flow from investing activities	20	-	(38,604)
Increase in cash	_	39,928	52,006
Reconciliation of net cash flow to movement in net fund	21		
Net fund at 1 January		460,879	408,873
Increase/(decrease) in cash		39,928	(52,006)
Net fund at 31 December		500,807	460,879

The notes on pages 72 to 85 form part of these financial statements

# Notes to the Financial Statements

## Statement Of Accounting Policies

### Basis of accounting

The financial statements reflect the transactions of the national organisation of the Co-operative Party. 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 (NEC), 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 in accordance with regulations made by the Electoral Commission and applicable accounting standards.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

### **Going Concern**

The NEC have prepared forecasts for the period to December 2016 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 probability 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 in excess of £5,000 will be capitalised and 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.

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

### Statement Of Accounting Policies (Continued)

#### **Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less impairment.

### Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### Creditors

Short term creditors are measured at the transition price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently and amortised cost using the effective interest method.

#### Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables,

are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income and Expenditure Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### Statement Of Accounting Policies (Continued)

### Corporation and Deferred Taxation

The Co-op Party takes its tax obligations seriously. It seeks to comply with them in an open and transparent way with both its tax advisers and, through them, with HM Revenue & Customs.

It has for some time been agreed with HM Revenue & Customs that the Party is taxed in accordance with 'the mutuality principle'. What this, in effect, means is that the Party is seen as the representative of its members in undertaking activity on their behalf. The tax consequence is that the income received from members, including for supplying services to them, is not considered taxable. Nor is any tax relief given on any spending undertaken to supply this activity. The result is that much of the activity of the Party is outside the scope of corporation tax.

This is not the case when it comes to investment income. Since any such income would if received by the Party members be considered taxable so it is in the case of the Party itself. This is why tax liabilities have been reported in the Party's accounts.

In fulfilling its obligations to HMRC the Party has agreed that it will take no artificial steps or enter into any arrangements, whether in the UK or offshore, to avoid the receipt of taxable income giving rise to a declarable tax liability. The Party is committed to paying all its taxes due at the right rate, in the right place and at the right time and believes that this commitment is a reflection of the political values it seeks to uphold.

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**

Staff may join the Co-operative Group's (PACE) defined contribution pension scheme.

The employer contributes 2%, 3%, 5%, 8% or 10% of gross pensionable salary (according to the contribution made by the employee. Employees with over 2 years' service were entitled to join the Co-operative Group's defined benefit scheme until this closed to new contributions in October 2015.

### Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Judgements in applying accounting policies and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### (i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

#### (ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 11 for the net carrying amount of the debtors and associated impairment provision.

#### (iii) Net present value of payments to deficit funding plan

The Party has recognised the net present value of the payments of know contributions to a deficit funding plan between the balance sheet date and June 2019. This has been based on guidance provided by the pension scheme's actuary discounted to a net present value at the balance sheet date using a discount factor equivalent to the market yield on high quality corporate bonds at the balance sheet date.

## 2. Society Subscriptions

	2015	2014
Society	£	£
Chelmsford Star	4,041	3,924
East of England	23,000	22,848
Midcounties	30,000	38,680
Central England	74,483	72,314
Scottish Midland	13,792	13,792
The Co-operative Group	625,600	625,600
Other	100	
Total Subscriptions	771,016	777,158

The societies are also members of Co-operative Party Limited.

#### 3 Individual Members

In 2014, this represents new members only, joining by direct debit.

In 2015, this represents all individual members, following the switch to the national membership system from 1 January 2015.

### 4. Other Donations

Donations from individual members & other organisations

2015	2014
£	£
5,535	26,169
5,535	26,169

#### Local Party Affiliation Fees 5.

In 2015, following the introduction of the national membership scheme, local parties did not retain individual membership subscriptions and were not required to pay a national subscription to the Party.

#### **Employees** 6.

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

2015		2014	
Full time	Part time	Full time	Part time
7	4	7	4

The costs incurred in respect of these employees were:

	2015	2014
	£	£
Wages and salaries	388,262	407,325
Social security costs	45,545	34,861
Pension contributions	62,566	39,516
Non salary benefits	4,759	4,000
Temporary staff and recruitment	5,567	
	506,700	485,702

### Senior Management remuneration

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

	2015	2014
	£	£
Salaries	182,759	187,681
Pension Contributions	22,515	20,520
	205,274	208,201

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

	2015	2014
	£	£
Salary	70,622	71,748
Pension Contributions	6,892	5,736
	77,514	77,484

# 7. Membership Fees Payable

Party Councils receive £4 per every paid up member.

# 8. Constituency Plan Agreements

These are agreements entered into between the Co-operative National Executive Committee and the Labour Party Constituencies to which the relevant local Co-operative Parties contribute one third of the cost. Payments are made directly from the Co-operative Party to the Constituency Labour Parties.

### 9. Taxation

	2015	2014	
	£		£
Corporation tax	75	-	

# 10. Tangible Fixed Assets

	Fixtures, Fittings & Equipment 2015	Total 2015
Cost	£	£
1 January	85,051	85,051
Disposals	(13,139)	(13,139)
31 December	71,912	71,912
Depreciation		
1 January	65,403	65,403
Charge for year	6,825	6,825
Disposals	(12,693)	(12,693)
31 December	59,535	59,535
Net Book Value		
1 January	19,648	19,648
31 December	12,377	12,377

# 11. Debtors

	2015	2014
	£	£
Trade Debtors	29,878	47,343
Prepayments and accrued income	13,357	11,214
Other Debtors	2,262	1,806
	45,497	60,363

Debtors are shown net of a provision for bad debts of £2,800 (2014 - £5,164).

### 12. Fixed Asset Investment

Capital value At 1 January 2015 Interest reinvested At 31 December 2015		25,000 375 25,375
13. Creditors		
	2015	2014
	£	£
Trade Creditors	8,342	10,583
Taxation and Social security	9,918	11,482
Corporation tax	75	-
Accruals and deferred income	74,887	27,008
Vat Payable	1,889	2,951

### 14. Post Employment Benefits

	2015	2014
	£	£
Balance at 1 January	-	-
Additional funding charge	33,127	-
Balance at 31 December 2015	33,127	-

95,111

Certain employees in the Party participate in the PACE Complete pension scheme, a multi-employer defined benefit scheme, with other employers. The employers share the actuarial risks associated with all employees and former employees. The Party is not legally responsible for the plan and does not have sufficient information to use defined benefit accounting. Accordingly, the scheme is accounted for as a defined contribution scheme.

The multi-employer scheme is currently in deficit and during the year the Party has agreed to participate in a funding plan to reduce the deficit. A liability of £33,217 (2014: £nil) has been recognised, representing the

2015

52,024

present value of the additional contributions payable between 2016 and 2019, with the resulting expense recognised in the Statement of Comprehensive Income.

#### 15. Reserves

	2015	2014
	£	£
Revenue reserve		
Balance at 1 January	513,866	455,981
Surplus/(Deficit) for the year	(58,050)	57,885
Balance at 31 December	455,816	513,866

### 16. Operating Lease Commitments

At 31 December 2015 the Party had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 2015	Land and Buildings 2014
Operating leases expiring:	£	£
Within one year	-	-
Between 2 and 5 years	42,525	66,725
	42,525	66,725

### 17. 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 2015 were £5,728 (2014 - £5,982). Certain directors of the board are also members of the boards or governing committees of other bodies in the Co-operative Movement (see note 18). Information regarding transactions between the Party and such bodies is given in note 2.

## 18. Related Party Transactions

### The Co-operative Group

At 31 December 2015, Co-operative Party Limited held shares amounting to £25,375 (2014 - £25,000) in the Co-operative Group.

The Co-operative Group is considered to be a related party as Co-operative Party Limited is a member of the Group.

# 19. Reconciliation Of Surplus/(Deficit) To Net Cash Inflow/(Outflow) From Operating Activities

	2015	2014
	£	£
Surplus/deficit for the year before interest	(58,350)	57,885
Depreciation charge	6,826	14,384
Loss on disposal of fixed assets	446	54
Decrease in debtors	14,866	27,219
Increase in/ Decrease creditors	76,139	(8,235)
Net cash inflow from operating activities		
	39,928	91,307

# 20. Cash Flow From Investing Activities

	2015	2014
	£	£
Purchase of tangible fixed assets	-	(13,604)
Investment in Co-op Group corporate investor shares	-	(25,000)
	-	(38,604)

## 21. Analysis Of Net Funds

	1 January		31 December
	2015	Cash Flows	2015
	£	£	£
Cash in hand	460,879	39,928	500,807
Total	460,879	39,928	500,807

# 22. Comparative Expenditure

Comparative expenditure has been reclassified for consistency with the current period analysis in the income and expenditure account. This has no effect on the comparative results for the year or net assets. The reclassification has been made to better reflect the nature of the expenditure.