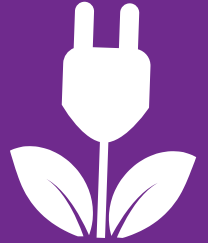


# annual report 2013

**the co-operative party**  
politics for people



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For information or more details, please contact The Co-operative Party Limited, Registered Office:  
65 St John Street, London EC1M 4AN. T: 020 7367 4150, F: 020 7407 4476  
Email: [mail@party.coop](mailto:mail@party.coop), [www.party.coop](http://www.party.coop)

# chair's report

2013 saw the beginning of a challenging time for the co-operative movement – with the tribulations at the Co-operative Bank and Group hitting the headlines during the course of the year.

The Co-operative Party was affected by this both directly and indirectly and I would like to take this opportunity to thank the Party's dedicated staff – many of whom only joined the organisation in September 2013. They worked exceptionally hard during some difficult times and must be commended for their abilities to respond to what was happening but also to ensure the important day-to-day work of the Party continued.



The year was one for laying foundations for the future. The Listening Exercise ensured that the Party staff and NEC could make decisions about our future priorities based on a sound knowledge of the experience and ambitions of members. I would like to thank those of you that took part. I hope you will have seen the changes being made in response to what you said; from the refreshed website, reductions in bureaucracy, better communications and changes to the way we administer membership.

We have maintained a strong presence in Parliament and in the devolved administrations on important issues including co-operative development, education, energy, housing, payday lending, credit unions and procurement, to name just a few.

The shadow cabinet re-shuffle towards the end of the year saw a strong political presence for Co-operative MPs and Peers. In Wales, Labour & Co-operative AM Vaughan Gething became the Deputy Minister for Tackling Poverty and in Scotland we continue to be very proud that Co-operative MSP Johann Lamont is the Leader of Scottish Labour.

As we look forward we know that there continue to be real challenges ahead for the movement and therefore by extension for the Party. In particular we need to continue to reduce our costs and grow our membership of individuals and co-operative organisations.

The Co-operative Party continues to have a vital role to play in UK politics and with the support of our members, our subscribing societies and our hardworking staff team, we can look forward to a successful future.

**Gareth Thomas MP**

Chair, the Co-operative Party National Executive Committee

# organisation

## National Executive Committee

Eastern	Robin Cherney	A
East Midlands	Julian Evans	A, P
London	Gareth Thomas MP (Chair)	S, P, D,
North East & Cumbrian	Ray Henderson	D
North West	Julia Tickridge	D
Scotland	Jim O'Neill	Sc
South	Bob Harber	A, C, CAC,
South West	Linda Gilroy	P, S
West Midlands	Paul Kalinauckas	P
Wales	Rt.Hon. Alun Michael	P
Yorks & Humber	Neil Rhodes	P
Youth	Ian Adderley	
One Member One Vote (M)	Nick Crofts	A, P
One Member One Vote (F)	Alex Baker	D, S,
Co-operatives UK	John Anderson (until July 2013)	
	Chris Herries (July 2013 onwards)	
The Co-operative Group	Revd. Paul Flowers (until June 2013)	S, P
	Jenny Barnes (June 2013 onwards)	S, P
	Stuart Ramsay (Vice Chair)	A, S, P
Westminster Parliamentary Group	Chris Leslie MP	
	Cathy Jamieson MP	

### Key to Committee memberships:

A	Audit Sub-Committee	P	Policy Sub-Committee
S	Staffing & Remuneration Sub-Committee	D	Disputes Sub-Committee
CAC	Conference Arrangements Committee (NEC representative)		



## The Party staff in 2013

General Secretary	Karin Christiansen	
Deputy General Secretary	Karin Wilkie	
Head of External & Political Affairs	Claire McCarthy	from Sept 2013
Political & Parliamentary Officer	Joe Fortune	
Digital & Communications Officer	Ben West	from Sept 2013
Membership & Party Support Officer	John Boyle	from Sept 2013
Membership Officer	Shane Brogan	from Sept 2013
Political & Membership Officer (Scotland)	Richard McCready	from Sept 2013
Events, Training & Partnerships Officer	Olly Parker	from Sept 2013
Office Manager	Dorota Kseba	
Fundraising & Executive Assistant	Katherine Richards	

*We would also like to thank the members of the staff team that left us in the summer of 2013: Cheryl Andrews (Administrative Assistant), Sylvia Hanlon (Membership Officer), Rebecca Mattingly (Party Support & Campaign Officer), Linda Mylet (Administrative Assistant), Jim Lee (Secretary, Scottish Co-operative Party) and Martin Tiedemann (Head of Communications & Development). Their commitment and hard work for the Party is greatly appreciated and will not be forgotten.*

# party membership

## Party membership (at December 2013)

Section	2012	2013
Brussels	9	10
East	806	820
East Midlands	664	642
London	1335	1487
National Party	24	10
North East	346	356
North West	1041	1001
Northern Ireland	38	42
Scotland	950	649
South East	856	786
South West	609	599
Wales	463	380
West Midlands	575	586
Yorkshire & the Humber	575	563
	8291	7931

*In 2013 many local parties continued to improve the quality of the information on their membership lists. This led to the removal of individuals who had been on branch membership lists but who had not paid membership fees to the branch or party. In particular, this resulted in just over 300 members in the Scottish Party being removed in December. They are currently contacting these individuals to see if they wish to re-join. Although this means a reduced total membership, it does allow us to get a better impression of the health of branches and parties.*





## 2015 Vision:

### A Co-operative Party Ready to Change Britain

In 2013, the party undertook a major review to ensure we are ready to deliver change in Britain by 2015. The Party must be capable of delivering on the five strategic objectives established by the NEC in November 2011 and the key actions identified to support these objectives.

#### **By 2015, we will 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 by double digits, 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 organisations we work with closely to ensure we deliver this. As a result, we hope the co-operative movement will be proud of us, even those who are not voting for our candidates.

# results of **listening** to our members

The Co-operative Party's members, activists and supporters are our greatest assets, and understanding their opinions and views is essential to using their time and energy to best effect.

We wanted to take the pulse of the Party in a structured way by directly asking for feedback from our membership and key stakeholders. During 2013, the General Secretary conducted a membership Listening Exercise, facilitating workshops at Party meetings to encourage members to explore what they like about the Party, what they want to change, and their ambitions for the Party in 2017, the centenary of the Co-operative Party.

The summary of the results is set out below. This has already helped inform our planning and activities and we intend to use this information as a baseline for assessing our progress.

## **The information was collected through two approaches:**

- A series of 34 workshops with between 10 and 60 people, at a variety of Co-operative Party, co-operative society and movement meetings, as well as a handful of mixed Co-operative and Labour Party member meetings.
- An online survey emailed to Co-operative Party members and supporters to get their insights into their experiences with the Party. The survey was live between February and August 2013 and received a total of 390 individual responses.

The final question was framed specifically to draw out tangible and specific things people what to have seen happen by 2017 (selected to make it close enough to be real but without constraining people to the short term or the upcoming General Election).

We estimate over 1000 people participated, between 11% and 15% of the total party membership. In total, well over 4000 separate contributions were submitted (i.e. post-it notes and online responses). This compares very favourably to average response rates for political surveys as recently measured by the Pew Research Foundation.

The workshops were facilitated using standard participatory research techniques and were held where the invitation was made by a local party or where the General Secretary was asked to speak. This clearly "biases" the sample to more active groups of people in areas of greater activity. Addressing this sample bias was one of the aims of the online survey, allowing us to reach less active members and into areas where local parties were less active. While there was some duplication, it appears to have been effective at reaching a different group of people.



## Summary of the findings

The striking overall finding of the workshops and the survey is that our members are deeply engaged and committed. They have specific and implementable ideas and goals for the Party as we approach our 100<sup>th</sup> anniversary. People's ambition for the Party was palpable and inspiring. Common themes were identified across both the workshops and the online survey, with a number of clear frustrations and concerns as well as areas of pride and excitement. These are set out below.

### 'What is working?'

Findings were particularly consistent about what people value about the Co-operative Party. By far the most common set of responses was around [the strength of the vision, solution and policy offer around co-operatives and mutuals](#). The next two most common themes are that the Party [promotes co-operation](#) and [our values](#), and many of the responses made a connection between the Party representing their own values of co-operation and promoting these as policies in a wider context. A nice summary set out our policy offer as one of "progressive, down-to-earth policies that actually work". The Party's efforts on the payday lending and the Sharkstoppers campaign was particularly highlighted.

Another set of linked themes was [the experience of Party organisation and atmosphere](#), such as at meetings and Annual Conference, and [a positive membership experience](#), often including the warmth of other members. There was also a general sense of pride in the Party's continuation, that close to our centenary, the Party is "as relevant now as it was when it first started" with a "huge potential for new ways of doing politics".

### 'What is not working?'

Findings emerged around six common categories, although not with the same clarity of prioritisation as for other questions.

There is a clear issue for people around [current organisation and function](#). Themes included a sense of frustration about a "stifling structure" and a "very complex hierarchical organisation". One member said "the structure is opaque and it doesn't feel well-managed", and many more said they do not understand it. The current membership payment system was described as "byzantine". Part of this was concern about culture as "local and regional structures are opaque with very small cliques of people making decisions" and also that it is "too male dominated and set in its ways". There were suggestions the Party is not always "organising on its own principles".

The **lack of a clear, distinctive brand or identity and its impact on our profile** was another clear theme: "We're still a well-kept secret - we need to stress our own identity distinct from but supportive of the Labour Party". This concern about our lack of profile was often linked to a frustration with our media work as well as internal communication. There was a particular emphasis on the lack of understanding and distinction between us and the Labour Party. There was an interesting juxtaposition of a similar level of response suggesting the Party is **too close to the Labour Party** and that **we do not have enough influence over Labour**.

The final theme that emerged was from people who felt that **the Party is not active enough in their local area**. This group contained a mixture of those responding in the online survey who had not yet made contact with their local branch officers and were unaware of local activity, and of those who attended workshops who are involved but do not feel that there is enough local activity or support to develop. A few examples of representative comments include: "depends on very small pool of officers (low levels of activism)"; "lack of activity"; "hear very little about activity of my region and branch".

## **What people wanted the Party to have achieved by 2017**

included a striking **sense of the ambition** as well as a long list of tangible and practical ideas. By far the most common category, more than double the number of responses than the next, was that of **success for the co-operative movement** in a range of areas. There was a real sense that for members this is the key outcome, with Party activities and politics providing the means to achieve this.

There was a clear theme that the Party should be **more clearly defined to the outside world** and the co-operative movement, and to attract more media and publicity. One member hopes to be able to say in 2017 that we are a "voice for co-operation", and seen to "shape ideas across politics and public life".

Another common category of people's ambitions is to achieve **greater influence over the Labour Party, but while maintaining a distinct identity**. In 2017 we have an "identity distinct from Labour and retail co-operatives", and that the Labour Party makes electoral progress in part due to the positive influence of co-operation and the Co-operative Party: "the Labour party is what it is because of us".

While there was a particular focus on having a younger membership, there was also a broader set of issues around diversity. For example "the demographics of the membership are more reflective of gender, ethnicity, sexuality etc. of the community" and that women should make up "half the NEC". Many want to particularly "grow our membership from the movement".

In summary, ambitions are high: members want a Co-operative Prime Minister and more representation at every level of government. In 2017 "we are on Newsnight, again" is what they wanted to be saying to their friends and family.





# 2013 by month

## January

Co-operative Party South West Weekend School, Torquay including Pauline Green, President of the International Co-operative Alliance and Stella Creasy MP.

- Report to the Mid-Counties Society Board meeting, Warwick.
- Presentation at Stevenage Local Strategic Partnership.

## February

- Presentation at Co-operation in the City Conference, Southampton.
- Presentation at Nottingham Women's Day event.

## March

- Project 2015 agreed by NEC.
- Report to East of England Board sub-committee, Ipswich.
- Parliamentary Panel interviews commence.
- Presentation at the London Labour Women's Conference.
- Visit to Redditch Co-operative Homes with Rebecca Blake, PPC and Carl Taylor.
- New Co-operative Party policy consultation process commences.
- Roundtable at Welsh Labour Conference.

## April

- London Co-operative Party Policy Day.
- Presentation at Co-operative UK Forum, Manchester.
- Present at National Guild of Co-operators Conference, Gilsland Spa.
- Participation in co-operative fringes at Scottish TUC and Labour Conferences.

## May

- Report to North Region Co-operative Group Board, York.
- Presentation to Co-operative Solutions to the Economic Crisis, Norwich.
- Participation in inaugural meeting of the Co-operative Councils Innovation Network, London.
- Report to Scotmid Society Board.

## June

- Report to Group Co-operative Group Welsh Regional Board, Y Trallwng/ Welshpool
- NEC AGM, Westminster, London.
- Midlands, Eastern and Southern Party weekend school, Kettering
- Celebration of Ted Graham's 88th Birthday with the Rt. Hon. Ed Miliband.
- National Policy Forum, Aston.
- Presence at Co-operative Congress, Cardiff.

## July

- Presence at Fabian Summer Conference, London.
- Led Workshop on co-operative politics at Luton Summer School for young people aged 18-24.
- Chief Executive of Co-operative Group attends monthly Co-operative Party Parliamentary group meeting.

## August

Began commissioning the new membership database.

- Report to Central and Eastern Regional Co-operative Group Board meeting, Northampton.
- The Co-operative Party training event, Summerfest, Birmingham.
- Co-operative Party canvassing with Hastings Co-operative PPC Sarah Owen.

## September

- Induction of new team members: John Boyle, Shane Brogan, Claire McCarthy, Richard McCready, Olly Parker & Ben West.
- Co-operative Party reception & fringes at Labour Party Conference, Brighton.

## October

Delivered Parker Memorial lecture, Oxford.

- Supported ABCUL roundtable on Military Credit Unions, London.
- Attended and ran workshop at UK Society of Co-operative Studies, Gilsland Spa.
- The Co-operative Party Annual Conference, Edinburgh.
- CEO of Co-operative Group attends monthly Co-operative Party Parliamentary group meeting.

## November

- NEC strategy weekend, Dartford.
- Listening Exercise finalised.
- New internal budgeting process commences.

## December

- New budget process finalised.
- New finance system introduced and tested for start of New Year.
- Launch of 'Scotrail' – A People's Railway for Scotland'.



Following a reshuffle in 2013, three Labour & Co-operative shadow cabinet ministers, the Rt. Hon. Ed Balls MP, Lord Bassam of Brighton and Chris Leslie MP, as well as twelve shadow ministers were appointed. They cover Departments including: Treasury, Energy and Climate Change, Health, Cabinet Office, Defence and Environment and Rural Affairs.

As a result of our historic electoral agreement with the Labour Party, the Co-operative Party stand candidates jointly in elections at all levels.

## Labour & Co-operative Members of Parliament

Jon Ashworth MP (Leicester South)	Cathy Jamieson MP (Kilmarnock and Loudoun)
Adrian Bailey MP (West Bromwich West)	Mark Lazarowicz MP (Edinburgh North & Leith)
Rt Hon Ed Balls MP (Morley & Outwood)	Chris Leslie MP (Nottingham East)
Luciana Berger MP (Liverpool Wavertree)	Andy Love MP (Edmonton)
Dr Stella Creasy MP (Walthamstow)	Seema Malhotra MP (Feltham and Heston)
Ian Davidson MP (Glasgow South West)	Meg Munn MP (Sheffield Heeley)
Geraint Davies MP (Swansea West)	Lucy Powell MP (Manchester Central)
Jim Dobbin MP (Heywood and Middleton)	Steve Reed MP (Croydon North)
Stephen Doughty MP (Cardiff South & Penarth)	Jonathan Reynolds MP (Stalybridge and Hyde)
Gemma Doyle MP (West Dunbartonshire)	Linda Riordan MP (Halifax)
Louise Ellman MP (Liverpool Riverside)	Andy Sawford MP (Corby)
Chris Evans MP (Islwyn)	Barry Sheerman MP (Huddersfield)
Mike Gapes MP (Ilford South)	Gavin Shuker MP (Luton South)
Tom Greatrex MP (Rutherglen & Hamilton West)	Gareth Thomas MP (Harrow West)
Mark Hendrick MP (Preston)	Stephen Twigg MP (Liverpool West Derby)
Meg Hillier MP (Hackney South & Shoreditch)	John Woodcock MP (Barrow and Furness)

## Labour & Co-operative Prospective Parliamentary Candidates

During 2013 80 Westminster Panel interviews were conducted with 50 successful applicants. The following have been selected as [Labour & Co-operative Prospective Parliamentary Candidates \(PPCs\)](#). In addition, the Party supported local members to submit unofficial nominations.

Sarah Owen (Hastings Rye)	Louise Baldock (Stockton South)*
Sharon Taylor (Stevenage)	Rowenna Davis (Southampton Itchen)*
Anna Turley (Redcar)	David Drew (Stroud)
Andrew Pakes (Milton Keynes South)	Jamie McMahon (North West Leicestershire)*
Luke Pollard (Plymouth, Sutton and Devonport)*	* Selected in 2013

## Labour & Co-operative Members of the House of Lords

Lord Bassam of Brighton	Lord McFall of Alcuith
Lord Bilston	Lord Moonie of Bennoch
Lord Davies of Coity	Baroness Nicol of Newnham
Lord Foulkes of Cumnock	Lord Patel of Bradford
Lord Graham of Edmonton	Baroness Smith of Basildon
Baroness Hayter of Kentish Town	Baroness Thornton of Manningham
Lord Kennedy of Southwark	Lord Thomas of Macclesfield
Lord Knight of Weymouth	Lord Tomlinson of Walsall
Lord McAvoy of Rutherglen	Lord Touhig of Islwyn

## Activity

In addition to preparing briefings for new shadow ministers on a range of policy and campaigning topics, highlights of the Co-operative Party's activity at Westminster include:

### Energy Act 2013

The Party, working closely with the Co-operative Group, Co-operatives UK and community energy activists, developed amendments and campaigning priorities in the run up to the publication of the Energy Act 2013. Labour & Co-operative Shadow Energy Ministers ensured important community energy amendments were tabled, debated and voted upon. These amendments sought to ensure that community energy schemes were taken out of the damaging new 'Contracts for Difference', extending the level of Feed in Tariff (FiT) from 5 mega-watts to a minimum of 10 mega-watts. This work resulted in the Government adopting these amendments as Government policy at Report Stage. Co-operative Parliamentarians supplemented the work during the passage of the Bill with oral and written Parliamentary Questions and debates.

## **Financial Services Bill 2013**

As the Financial Services Bill proceeded through its stages in Westminster, the Government formally recognised the need to cap the interest rates charged on payday loans. This followed the amendments promoted by Co-operative Party MP Stella Creasy in the Commons. This was a significant victory for the campaign and those in the Co-operative Party who have championed this issue.

Other Co-operative Party amendments were also debated. They included the need for a proper Treasury backed plan for the promotion of financial mutuals and an increase in their membership; financial education and banking transparency. These amendments were not accepted by the Government. The Government did however accept some principles of the Co-operative Party's data disclosure amendments and forced the financial services industry to agree to a new code of conduct.

## **The Housing Market Reform Bill Ten Minute Rule Bill**

Party Chair Gareth Thomas MP introduced a piece of Private Members legislation in the House of Commons titled 'The Housing Market Reform Bill'. Among a range of necessary reforms, the Bill placed a duty on the Homes and Communities Agency and local authorities with housing and planning responsibilities to promote co-operative and mutual housing options, helping those who cannot afford to buy, and to report annually in this regard. This Bill added to the work of fellow Co-operative MP Jonathan Reynolds' proposed 'Co-operative Housing Tenure Bill'. Together these legislative measures offer the Government real proposals that will help co-operative housing solutions to this country's growing housing crisis.

## **House of Lords Credit Union and Co-operative Housing Debates**

Through 2013 Co-operative Parliamentarians secured Parliamentary time to raise the profile of a large number of co-operative endeavours. For example, a new member of the Parliamentary Group, Lord Kennedy of Southwark led a debate in the House of Lords on credit unions. Group members including Lord McFall and Lord Graham joined Lord Kennedy. These members were able to bring a real spotlight on co-operative ethics and were very much involved in advocating for the implementation and further support of credit unions. Time was also secured by Group members to discuss the vital support needed for the further proliferation of co-operative housing. Many members joined with shadow spokespeople to scrutinise the Government's record in this respect.

## **House of Commons debates on topics including Food Banks, Fairtrade Fortnight, Co-operatives Fortnight and Co-operative Education**

Labour & Co-operative MPs used Parliamentary time to scrutinise the Government on their work in promoting fairtrade through Fairtrade Fortnight. The Parliamentary Group were able to showcase Co-operatives UK's 'HomeGrown' report during Co-operatives Fortnight, developing cross party debates on co-operative education and food banks. These topics would not have

been covered by Parliamentarians without the strong support that the Parliamentary Group gives to the Party and movement. The Group also took advantage of the Queen's Speech Debate and Budget Debates to push individual co-operative policy areas, for example Steve Reed MP spoke in the Queen's Speech Debate to champion the role that co-operatives can play in delivering youth services.

### **Other key areas included:**

- The production of detailed briefings for local sustainable communities and the future of the BBC Opposition Day Debates;
- Issuing Military Credit Union press release jointly with Shadow Secretary of State for Defence and co-ordinating meetings with Labour spokespeople during the UK visit of Navy Federal Credit Union;
- Helping Jon Cruddas' policy team to develop events on party democracy and football governance;
- National officers of the Party making contributions to the Blunkett Education Policy Review;
- Facilitating roundtable discussion on the lessons learned from the first 10 years of Foundation Trust hospitals.



# national politics **scotland**

In 2013 the [Scottish Parliamentary Group](#) was as follows:

Claudia Beamish MSP (South of Scotland List)	James Kelly MSP (Rutherglen)
Kezia Dugdale MSP (Lothians List)	Johann Lamont MSP (Glasgow Pollock)
Helen Eadie MSP (Cowdenbeath)	

[Helen Eadie MSP passed away on 9 November 2013](#)

Claudia Beamish MSP, Kezia Dugdale MSP and James Kelly MSP are all members of Scottish Labour's Shadow Cabinet and, along with the Leader of the Scottish Labour Party, Johann Lamont MSP they are promoting co-operative and mutual policies in the Scottish Parliament.

Sadly, the Chair of the Co-operative Party Group of MSPs, Helen Eadie MSP passed away on 9 November 2013. Helen was a life-long co-operator and strong supporter of the Co-operative Party and movement. She will be sadly missed.

## **Highlights for the year in the Scottish Parliament include**

Representations to the Scottish Labour Party Devolution Commission calling for more support for co-operatives and mutuals, especially around issues of public procurement and empowering local communities.

- Launch of 'Scotrail: A People's Railway for Scotland' pamphlet, published with railway union, ASLEF, and Labour's environment campaign, SERA, to promote not-for-profit mutual ownership of the Scotrail franchise.
- Scottish Co-operative MSPs developing and promoting the ongoing Debtbusters campaign against payday lenders, led by Co-operative MSP Kezia Dugdale with support from the Co-operative Party, resulting in national and local campaigning events and media coverage.
- The Scottish Government took action in the run-up to Christmas to try to tackle payday lenders in response to this campaign.
- The Scottish Parliamentary Panel was opened. Interviews were undertaken with a new systematic interview process.
- Five fringe meetings were supported at Scottish Labour Party Conference in Inverness, with the topics including Co-operative Councils, carers, Debtbusters, further devolution and the environment.





- James Kelly MSP led the preparatory work for a campaign to make sure that co-operatives were included in Procurement Reform (Scotland) Bill.
- Kezia Dugdale MSP was elected as the new chair of the Co-operative Party Group of MSPs.
- The Scottish MSP Group working with Co-operative Development Scotland (CDS) and Scottish young co-operative film makers. Parliamentary Questions were asked on Co-operative Studies in Scottish schools.
- Engaging with the Scottish Labour Party, the Political and Membership Officer attended and addressed the November meeting of the Scottish Executive Committee of the Scottish Labour Party.
- The Co-operative Group Scottish Party and the Scotmid Co-operative Party Council merged into a single joint Party Council during 2013. The Executive met for the first time on 16 February with the General Secretary in attendance.

In 2013 the Welsh Co-operative Assembly Group was as follows:

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)	

The Co-operative Party Assembly Group is chaired by Mick Antoniw AM. In 2013, Mick Antoniw AM succeeded Vaughan Gething AM as Chair of the Cross Party Group on Co-operatives and Mutuals.

The Welsh Co-operative and Mutuals Commission continued its work in 2013, with Professor Andrew Davies, previously a Minister in the Welsh Government, as chair. Other members included Dame Pauline Green, President of the ICA, former Chief Executive of Co-operatives UK and a Labour & Co-operative MEP. The Party's Deputy General Secretary worked closely with the Commission as a member of the Advisory Board.

There were new key roles in the Government for several members of the Co-operative Party's Assembly Group, which doubled in size in 2011:

- Alun Davies AM Minister for Natural Resources and Food
- John Griffiths AM Minister for Culture and Sport
- Huw Lewis AM Minister for Education & Skills
- Vaughan Gething AM Deputy Minister for Tackling Poverty

The Housing (Wales) Bill, developed by Huw Lewis AM while Minister for Housing, was launched in November. This contains key elements on co-operative housing, specifically:

- Strengthening the ability of mutual housing co-operatives to contribute to providing additional homes by allowing them to develop affordable housing schemes; and
- Allowing mutual housing co-operatives to grant assured tenancies, enabling them to use standard and well-understood tenancy agreements and removing a known difficulty with occupancy agreements between the co-operative and its members.



The new Housing Minister, Carl Sargeant has announced funding totalling £1,909,150 for three pioneer co-operative housing pilot schemes in Newport, Cardiff and Carmarthenshire. As well as providing affordability, households expressing an interest in co-operative housing in each of the three pilot areas said that this stemmed from their desire to develop and live in a new community. These three pilot schemes have the potential to provide around 89 co-operative homes. Further schemes which have the potential to deliver over 400 homes across Wales are also in the pipeline.

### **Other highlights for the year in the Welsh Assembly included**

- Ex-Remploy employees in Swansea launched a new co-operative business with Welsh Government support.
- The Welsh Government's Community Food Co-operative Programme helped to support around 300 food co-operatives.
- The Welsh Labour Party was chaired by Co-operative Party's Deputy General Secretary though 2013.
- The Party worked with the Wales Co-operative Centre and Co-operatives & Mutuals Wales on a round-table on co-operative development at Welsh Labour Conference.

# local government elections

In May 2013 there were 'all out' elections in all 'shire counties' in England, plus a number of unitary authorities such as County Durham and Cornwall and Anglesey in Wales.

In addition, Bristol City Council elected a third of their councillors, Doncaster and North Tyneside elected Mayors and there were over a hundred local by-elections. Over 250 candidates stood as 'Labour & Co-operative'. This excludes an additional number of candidates who stood in multi-member divisions and identified just as 'Labour' on the ballot paper, but were endorsed and supported by local Co-operative Party Councils or branches.

Amidst Labour successes across England, co-operative activists have been elected around the country, with around 100 Labour & Co-operative candidates elected. Labour gained Derbyshire and Nottinghamshire and became the largest Party on Lancashire, Cumbria and Bristol Councils. All saw Labour & Co-operative councillors elected who are in a strong position to give co-operative leadership.

Labour's representation was also strengthened in County Durham with new Labour & Co-operative councillors elected. In one of the headline wins of the election, Laura Price was elected as Labour & Co-operative County Councillor for Witney South & Central in Oxfordshire, in the Parliamentary constituency of the Prime Minister, the Rt. Hon. David Cameron MP.

Dorset saw several Labour gains on election night, centring on Portland and Weymouth where two Labour & Co-operative councillors were elected, including Paul Kimber, Treasurer of the Dorset Co-operative Party. Cornwall, where there was only a single Labour & Co-operative councillor before the election, saw several Labour gains, including Candy Atherton, a former MP now elected as a Labour & Co-operative councillor.

Prominent co-operators did well including the Secretary of the South East Co-operative Party and Kent Co-operative Group Area Committee member, Tom Maddison. He was returned to Kent County Council alongside Kent Chair, Pam Brivio, and fellow Area Committee member, Derek Smyth. Barry Doughty, Secretary of the Barrow branch, was elected to Cumbria County Council. Well known activist Brenda Massey was elected to Bristol City Council. Former Co-operative Group Regional Board Chair, Richard Udall, was elected to Worcestershire County Council.

## Labour & Co-operative councillors were elected in the following authorities

Bristol City Council	Leicestershire County Council
Cornwall Council	Norfolk County Council
County Durham Council	Nottinghamshire County Council
Cumbria County Council	Oxfordshire County Council
Derbyshire County Council	Staffordshire County Council
Dorset County Council	Suffolk County Council
Hertfordshire County Council	West Sussex County Council
Kent County Council	Worcestershire County Council
Lancashire County Council	

A particularly positive aspect of the election news was that seats with Co-operative Prospective Parliamentary Candidates (CPPCs) or Members of Parliament saw Labour gains, which bodes well for our future representation in Parliament.

- Hastings**  
 Labour won 7 out of 8 wards in the seat – Labour’s best ever result.
- Stevenage**  
 Labour & Co-operative candidates won 5 out of 6 wards in the borough, representing 3 gains. Cllr Sharon Taylor, Labour & Co-operative candidate for Stevenage, remained the Leader of a newly expanded Hertfordshire Labour Group of councillors.
- Corby**  
 Labour picked up their target ward in the constituency.
- Stroud**  
 3 Labour & Co-operative county councillors were elected here, representing modest gains.
- Preston**  
 Labour & Co-operative candidate Jennifer Mein was among the winners in Preston.
- North Tyneside**  
 Co-operative Party member Cllr Norma Redfearn was elected as Mayor.
- Co-operative Council Innovation Network**

The Party co-convened the first meeting of the Co-operative Councils Innovation Network Values & Principles Committee and continued to work closely with the Network throughout the year. The Network has continued to grow, with Labour & Co-operative councillors taking leading roles in the network and in its key councils. For more information visit [www.coopinnoation.co.uk](http://www.coopinnoation.co.uk)



# policy, publications & campaigns

Key highlights of the Co-operative Party's policy, publication and campaigning efforts in 2013 included:

## **Legal Loansharks**

Following hard work from Co-operative Party activists up and down the country knocking on doors, community organisers working with organisations like Movement for Change, local councillors clamping down on predatory practices in their local area, and Parliamentarians like Stella Creasy and Kezia Dugdale championing the cause, the Leader of the Labour Party announced new Labour policy to clamp down on payday lenders by introducing a levy on their profits. The money raised will be used to help fuel the expansion of credit unions across the country, providing an affordable, community-driven alternative, rooted in co-operative and mutual principles.

## **Scotrail: A Peoples Railway for Scotland**

Following the work the Party carried out producing 'Rail Cymru', 2013 saw the development and successful launch of a pamphlet titled 'ScotRail: Railway for Scotland'. In the development of this policy pamphlet the Party worked with SERA and ASLEF. The document outlined the way in which the Scottish Rail Franchise would operate as a not-for-profit mutual. The pamphlet generated debates within Holyrood and was launched in conjunction with Shadow Ministers and trade union representatives.

## **Co-operative Schools**

The Party worked closely with the Co-operative College, the Society of Co-operative Schools and teaching trade unions to develop a role to allow schools to make use of co-operative legislation and to allow nursery schools to join co-operative clusters. This Bill achieved widespread support from the Parliamentary Labour Party and Shadow Ministers. The Bill was introduced to Parliament by Meg Munn MP and received good coverage in movement and trade press. The Party ran an online petition, which attracted hundreds of signatures that were submitted to the Department for Education.

## **Policy Process and Papers**

2013 saw the first full year of the Co-operative Party's new policy process. Through the year the Party issued draft papers, which were analysed and amended by local branches and Party Councils across the country. The revised papers took account of these changes and were debated and endorsed at Annual Conference 2013.

The areas of policy covered included: Education, Economy, Culture Media and Sport, Transport, Housing and Young People. Our members gave us extremely positive feedback following the Co-operative Party Conference 2013 including on the new format of conference policy debates.

## Media and communications

### Activity during summer and autumn included

- Significant media and blog coverage and increasing our social media presence – particularly during Co-operative Party Conference; included in the Guardian, Observer, Financial Times, Mirror and Sun.
- Producing a short report ahead of the co-operative societies' half yearly meetings;
- Providing communication support for the visit of community banking and finance experts to UK;
- Reporting and presenting at key co-operative movement events, including society Board meetings (Midcounties, East of England, Scotmid and Central & Eastern).

### Other areas of work:

- Working with ABCUL on the development of a Military Credit Union, involving Co-operative MPs both in the Shadow Defence team and the All Party Group on Credit Unions.
- Producing a range of Co-operative Conference and the Labour Party fringes with the Labour Campaign for Democracy, SERA, UK Society of Co-operative Studies, Co-operative Education Trust Scotland, 1.4billion Reasons, Lendwithcare, the Electoral Reform Society and Supporters Direct, as well as stalls with the Co-operative College, the Phone Co-op, ScotMid, USDAW and the Better Together campaign.
- Producing Labour conference events with Supporters Direct and Building Societies Association.

# membership & local **party support**

## The Party has improved the foundations of our local party support system.

The roll-out of a new web-based membership database 'my.party.coop', an 18-month long process completed in 2013, has meant major improvements to the delivery of members' services. Branches have begun to benefit from the improved membership system and it is now available for the Party to use for a number of services. Head Office are able to rapidly send accurate member lists in a more user friendly format. Members are receiving mailings targeted in areas they have an interest in. Amendments, corrections and updates can be made instantly and officers receive information about the change straight away.

A new process for joining online was set up. Members now receive their card within two weeks of sending their application. Party Councils have more accurate information about members and more time to ratify membership. The Party has introduced a new member welcome pack that explains the Party and the local co-operative societies. This was also sent to members who renew by direct debit and to Party Councils to share with members who pay locally. It encourages members to get involved in the wider co-operative movement and support democratic involvement within their own society.

The Party switched to accepting Direct Debit and ended PayPal subscriptions.

In 2013, the foundation was laid for officers, and then members, to directly use 'my.party.coop' services to maintain their branch, Party Council and regional records, in turn benefitting all members. Its main purpose is to collect accurate and make information easily accessible, including:

- Details and activities of members.
- Relevant contacts.
- Events and booking for events such as Conference.
- Sending out mailings to members targeted, and we know if the mailing has been read.
- Recording branch, Party Council, Regional work.
- Recording work with the co-operative movement.
- Accurate record of officers and activists.
- Engagement with party members.
- Fundraising.

## The Party Support website: [party.coop/support](http://party.coop/support)

The Party website has been updated, in preparation for a more accessible party support section and further improvements in 2014. This included redesigning the guide for Party members and officers referred to as “The Handbook” to make it more accessible. Information about the wider co-operative movement was included on the website and in the new membership leaflet, to enable members to engage and develop their membership experience.

## Summerfest & Weekend Schools

Summerfest 2013 was attended by over 70 members of whom the majority were under 30 years of age. The programme was led by Nick Matthews from the Co-operatives UK and Heart of England Co-operative. There was a site visit to Redditch Homes, a housing co-operative, who are building a new environmentally sustainable home every day from a factory in Walsall. Local politicians from Telford and Birmingham also led sessions on active engagement. The General Secretary led a session on the Listening Exercise and training included sessions on engagement with the wider co-operative movement. The Birmingham History Co-operative spoke about their work and showed a film.

Thanks must be given to Richard Bickle who voluntarily organised the Summerfest.

In addition to Summerfest, there were 3 well established weekend schools that are organised by local parties/regions:

- North East & Cumbria Party/North Regions
- Midlands Eastern & Southern Party.
- South West Region.

## Party Council and Branch activities

Branches and Party Councils held regular meetings across the UK supporting the Party. These meetings led to a range of actions and activities for and by members, including:

- Campaign actions on Fairtrade Fortnight and enshrining the 0.7% GDP target into law;
- Billion Rising; challenging the Government’s ‘shares for rights’ plan as well as promoting Supporter Trusts and co-operative schools.
- Supporting a range of Co-operative and Labour events including the distribution of over 1000 membership forms;
- Involvement in youth and women’s events such as the Yorkshire and Humber youth policy debate.
- A number of Party Councils and branches took part in the policy process.

- Members of the National Party team attending around over 40 branch and party council meetings across the UK as part of the Listening Exercise.
- Members looking forward to local elections in May 2014 and contributing to the policy process at meetings in nearly every Party Council, with local parties busy training and supporting candidates.
- The enormous increase in the use of social media by members to promote the Party and its campaigns. Whilst some members took to the street to challenge Loan Sharks, many members were able to raise the profile of the campaign through tweets and Facebook.

A few examples of specific branch activity in 2013 include:

- North East & Cumbria Party; Midlands Eastern & Southern and the South West regions held very successful Schools, encouraging education for Party members on co-operation. These were attended by the General Secretary and other leading co-operative figures.
- The Party was represented at an October Weekend School organised by the UK Society of Co-operative Studies at Gilsland Spa. It had a prominent place amongst active co-operative members, many of whom are opinion formers in the co-operative movement.
- In the North West, Co-operative Party members played a leading role in campaigning for Lancashire to become a Fairtrade County.
- In Barkingside, London, members were active in promoting environmental and mutual solutions through a local Agenda 21 group.
- In North Wales, Party members promoted Plan B, one of the Co-operative Group's own campaigns.
- A new branch was launched in High Peak.

The Party asks Branches and Party Councils to provide Head Office with regular updates on the work you are doing and the campaigns you are promoting. We want to know, so we can share with other members and the movement. Email [j.boyle@party.coop](mailto:j.boyle@party.coop) with details of the activism in your area.



# party organisation and sustainability

The focus in 2013 was on laying robust foundations in a number of key areas as set out in Project 2015, and unanimously agreed by the NEC in January.

A major part of this included a role and functions review and the recruitment of a number of new roles.

The Listening Exercise was carried out amongst local parties, members and stakeholders, and the analysis of this exercise was presented to members at the Party's Annual Conference and shared with the NEC.

Particular work was undertaken within our central operations around improvements in HR, IT and finance systems as well as assessments of the need to support the functioning of local parties. The Party has moved beyond the annualised approach to activity planning, moving towards medium term budget planning. Work was undertaken to prepare the transfer of the Party's accounting systems in-house and out-sourcing the payroll function.

A scoping document, to form the basis of a fundraising strategy, was prepared to increase the diversity, quality and quantity of the Co-operative Party's funding. The aim is to ensure greater security of funding. There is a long term focus on increasing the proportion of funding that comes from members, because it will make the Party both more firmly grounded and responsive to its members. The initial priority is to firm up our existing funding and diversify sources, particularly in terms of member societies and individual members, and to consolidate reporting to ensure accountability.

A first London-based fundraising dinner held in July raised close to £9,000 and a fundraising drive during the Christmas period raised £5,000. Information on leaving a legacy to the Party is now on the website.

# plans for 2014: a forward-looking co-operative party

2014 is a key year for the Co-operative Party both in terms of the ongoing challenges facing the movement and the UK wide general election in May 2015. The background to this year will be the need to reduce the cost base of the Party.

## External and Political Affairs Communications and profile

The Party will focus on developing its communications capability to ensure that we are better able to tell the story of co-operation and shaping the national political narrative - through both traditional media but also through digital and social media channels. We will:

- Finalise the redesign of the Co-operative Party's website and the Party Support site to make sure they are more effective tools for communication.
- Make better use of social and digital media to promote policy asks and Party activity.
- Launch a new campaign [#givethemcredit](#) to make the case for a credit union for our Armed Forces.
- Develop the media relationships necessary to better tell the story of co-operation and raise awareness of the role of the Co-operative Party.
- Take a more systematic and strategic approach to member communications to ensure they better meet member's needs.

## Engaging with the co-operative movement

The Party will engage more systematically with the movement by attending worker co-operative events, Citizen's Advice Bureau and key co-operative events like Co-op Futures, Co-operative Studies as well as various society Board meetings and members' events. We will be focusing on:

- Firming up relationships by engaging with existing Societies and with close players (e.g. Co-operatives UK, Co-operative College).
- Broadening our appeal and legitimacy in the co-operative movement by reaching out to new co-operatives, employee owned organisations and Credit Unions.
- Widening our influence in the movement by positioning the Party in the broader context in terms of consumers, democracy, digital, social enterprise and the social economy.

## Policy

There is a crucial window of opportunity to shape the policy debate about role of co-operation, the state and how we ensure sustainable economic growth for every community in Britain. In 2014 the Labour Party is formulating its offer to the British public for 2015 and beyond, and the Co-operative Party is playing an important role in this. We will:

- Take forward the second year of the Co-operative Party's new policy process, which will culminate in policy debates at our annual conference in 2014
- Promote legislative proposals to promote co-operative and mutual solutions including amendments to the Procurement (Scotland) Reform Bill and the Deregulation Bill; and introduced the Co-operative and Social Enterprise (Development) Bill and Credit Unions (Armed Forces) Bill.
- Work with partners to promote policy solutions including the Community Investment Coalition on banking transparency and accountability; ABCUL on credit unions; Co-operatives UK on health.
- Develop and promote amendments to Labour's National Policy Forum.
- Commission policy pamphlets on community energy and co-operatives role in communities in Scotland
- Champion the implementation of key recommendations from the Welsh Co-operatives and Mutuals Commission.

## Elections and supporting our politicians

We will:

- Secure the election of co-operators in selections for Westminster, the Scottish Parliament and Welsh Assembly.
- Increase, support and engage with Co-operative Councilors.
- Provide practical support to our Parliamentary candidates in the run up to the 2015 General Election.

## Membership and Party support

We want the Party to be part of a strong co-operative movement with our members taking an active role in the societies they belong to. We will work with local parties and activists to ensure members know how to re-engage with their local co-operatives, including their society's meetings in the spring and autumn. We'll also ensure that non-members who attend these events hear about the Party's achievements through our National Report as well as speakers and stalls.

The roll out of the online portal will help to remove some of the burden from local officers, giving them the space to focus on building active branches in their community. Officers will get access to

the new database, with more accurate and reliable information about their members which, along with changes to payment methods, will ensure that activists can focus on campaigns, policy and running local events.

We will also establish horizontal networks, starting first with our councillors. This will allow members to share best practice and experience with each other from across the country.

## **Governance and operations**

The Party will bring its finance in-house, developing new financial policies, accounting, financial controls and working with auditors to ensure the handbook is appropriate to our needs. Key efficiencies planned include streamlining the number of financial transactions with Party Councils.

There is to be a major upgrade of our IT systems to an online 'mobile' platform allowing people to work from multiple locations. We will upgrade the underlying infrastructure of the website and make web compatible. The HR system will also be upgraded to establish consistent record keeping and administration to conform to current legal requirements.

We will implement a significant reduction in expenditure. Specific areas where cost reductions will occur include not filling two staff vacancies, seeking to reduce the costs of the annual Co-operative Party Conference and moving offices.

The Co-operative Party Conference 2014 will be held in London, building on the changes made last year, to ensure the continued engagement of members. It will focus on engaging with both the broader co-operative movement as well as the political build up prior to the 2014 general election.

NEC elections will take place in 2014, including a shift to direct, one member one vote based system for the regional positions.

# Co-operative Party limited (reg. no. 30027R)

## Board Report 2013

In 2013 the Party continued to work within the framework of the Strategic Plan, but this was placed in the context of Project 2015 (see box).

As part of Project 2015, a major staffing restructure took place that resulted in six staff leaving the organisation and six staff being recruited.

### Project 2015

- The Co-operative Party's vision, narrative, identity and profile to be current and clear to all our key stakeholders, and we are shaping the national political narrative into a fundamentally co-operative one. The co-operative movement is proud of us, even those who are not voting for our candidates, and understands and is working with us across the depth and breadth of co-operative issues.
- Co-operative policies and solutions are firmly embedded in Labour thinking and we are laying the ground for co-operative policy to be implemented in UK 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 by double digits, sustained by the best membership experience of a political party in Britain. Our members and supporters are our greatest asset and therefore our aim is for them to be innovating, supporting each other, be rooted within the co-operative movement and be a source of activism within their communities
- Our operations and governance are the best of the political parties in Britain - ethical politics in deed and fully digitally enabled.

### Financial Review

Increased expenditure in 2013 can be attributed to redundancy payments following the staffing restructure and major infrastructure projects such as the new membership database and the new accounting system in preparation for transferring the accounts in house from 1 January 2014. £47,532 was spent on projects and consultancy supporting them.

Despite these exceptional costs, the Party recorded a surplus.



Printing and administration costs were kept down, resulting in a £25k saving.

Conference costs were however higher than in 2012.

Following the transfer of accounts from Co-operatives UK to the Party, the investments previously managed by Co-operatives UK on behalf of the Party moved in to the cash account.

## Statement of Responsibilities of the Board

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

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

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

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

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

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

## Corporate Governance

A review process will continue throughout future years and will be considered regularly by the NEC and its audit sub-committee. The Party has continued to review and report on internal financial controls in accordance with its Code of Governance, adopted in 2010. 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. This will be reviewed in 2014.

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

## **Internal Control**

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

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

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

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

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

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

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

## **Control Environment**

The NEC approves the Party's annual budgets. The Party has a policy of communicating its management accounts on a monthly basis to each member of the Audit Committee. Results are reported against budgets with any significant variances considered by the NEC and remedial action taken where appropriate.

## **Risk Identification**

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

## **Control Procedures**

The Party 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, internal 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.

## **Information and Communication**

The Party operates a membership database and communication takes place through a regular Party Support Mailing to local Party officers and activist direct member mailing 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 will be issued to the appropriate level of management, containing recommendations to improve controls where weaknesses are found, together with management's response.

## **Disclosure of information to auditors**

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

## Auditors

Crowe Clark Whitehill LLP were re-appointed as auditors on 2 June 2014.

## Going Concern

The Board have prepared forecasts for the period to 31 December 2014, which indicate that the Society has sufficient committed subscription income and financial resources in order to enable it to meet its obligations as they fall due. As a consequence the board believes that the society is well placed to manage its business risks successfully in the current economic environment.

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

## National Executive Committee Certification

The accounts and notes on pages 39-49 are hereby signed on behalf of the National Executive Committee.

A handwritten signature in black ink, reading "Karin Christiansen".

**Karin Christiansen**

General Secretary

# CO-OPERATIVE PARTY LIMITED

## INCOME AND EXPENDITURE ACCOUNT

Year ended 31 December 2013

	Note	2013		2012	
		£	£	£	£
<b>Income</b>					
Subscriptions					
- Co-operative Societies	2 (b)	736,657		715,618	
- Funding for grants to local parties	2 (a)	200,000		242,424	
- Individual Members		<u>182,482</u>		<u>146,641</u>	
			1,119,139		1,104,683
Annual Conference			28,831		26,750
Grants and Donations	3		20,516		22,825
Constituency Plan Agreements	5		1,521		18,252
Other Income			<u>13,626</u>		<u>6,155</u>
<b>Total Income</b>			<u>1,183,633</u>		<u>1,178,665</u>
<b>Expenditure</b>					
Salaries and wages		393,491		396,773	
Social security costs		41,022		34,109	
Other employment costs		85,988		16,336	
Pension - current service cost		<u>30,642</u>		<u>46,010</u>	
Personnel costs	4	551,142		493,228	
Rent, Rates, Insurance		69,654		70,388	
Light, Heat, Cleaning		5,715		3,712	
Postage, Telephone		17,738		19,181	
Repairs & Renewals		420		625	
Projects		13,833		0	
Printing & Administration		23,148		48,263	
Committees		5,727		10,942	
Staff Travel		32,544		25,673	
Schools, Conferences		90,039		69,022	
Professional Fees		26,701		16,264	
Auditor's Fees - for audit		10,283		9,240	
" " - for other work		570		11,285	
Grants to Party Councils		185,615		217,234	
Constituency Plan Agreements	5	(5,573)		56,240	
Election Campaign expenses		82		10,425	
Depreciation		7,816		9,001	
Miscellaneous		4,997		3,778	
<b>Total Expenditure</b>			<u>1,040,451</u>		<u>1,074,501</u>
<b>Surplus/(Deficit) from Party activities before interest and taxation</b>			143,182		104,164
Interest			3,487		1,919
<b>Surplus/(Deficit) from Party activities before taxation</b>			<u>146,669</u>		<u>106,082</u>
Corporation Tax	6		(697)		(383)
<b>Surplus/(Deficit) for the year</b>	10		<u>145,972</u>		<u>105,700</u>

The above relates entirely to continuing operations.

There were no recognised gains or losses for 2013 or 2012 other than those included in the income and expenditure account.

The notes on pages 8 to 13 form part of these financial statements



## CO-OPERATIVE PARTY LIMITED

### BALANCE SHEET as at 31 December 2013

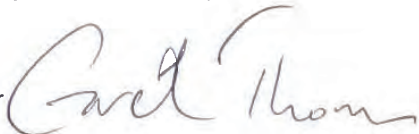
	Note	2013		2012	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible Fixed Assets	7		20,482		12,344
<b>Current Assets</b>					
Debtors	8	87,582		73,864	
Investments		0		225,000	
Cash in hand		408,873		61,007	
		<u>496,455</u>		<u>359,871</u>	
<b>Creditors</b>					
Amounts falling due within one year	9	(60,956)		(62,206)	
<b>Net Current Assets</b>			<u>435,499</u>		<u>297,665</u>
<b>Net assets</b>			<u>455,981</u>		<u>310,009</u>
<b>Financed by</b>					
<b>Reserves</b>					
Revenue	10		455,981		310,009
			<u>455,981</u>		<u>310,009</u>

The notes on pages 8 to 13 form part of these financial statements

Industrial & Provident Society Registration No 030027R

The financial statements on pages 5 to 13 were approved and authorised for issue by the National Executive Committee on 2 June 2014

and signed on its behalf by :

Chair 

Vice-Chair 

**CO-OPERATIVE PARTY LIMITED**

**CASH FLOW STATEMENT**

Year ended 31 December 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	13	137,838	104,379
Returns on investments and servicing of finance	14	3,487	1,919
Taxation			
Corporation tax	6	(2,506)	(383)
Capital expenditure and financial investment	15	209,045	(77,107)
Increase in cash		<u>347,864</u>	<u>28,808</u>
<b>Reconciliation of net cash flow to movement in net fund</b>	16		
Net fund at 1 January		61,007	32,199
Increase in cash		347,864	28,808
<b>Net fund at 31 December</b>		<u>408,872</u>	<u>61,007</u>

The notes on pages 8 to 13 form part of these financial statements

## **1. STATEMENT OF ACCOUNTING POLICIES**

### **Basis of Accounting**

The financial statements reflect the transactions of the national organisation of the Co-operative Party, including its regional officers. The transactions of local Party organisations and of the political activities of individual Co-operative Societies, which are not under the control of the National Executive Committee (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 on the historical cost accounting basis and in accordance with regulations made by the Electoral Commission and applicable accounting standards.

### **Going Concern**

The NEC have prepared forecasts for the period to December 2014 which indicate that the Party has sufficient committed subscription income and financial resources in order to enable it to meet its obligations as they fall due. As a consequence the NEC believes that the Party is well placed to manage its business risks successfully in the current economic environment.

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

### **Income Recognition**

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

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

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

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

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

Investment income is accounted for on an accruals basis.

### **Depreciation**

Fixed assets 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.

### **Corporation and Deferred Taxation**

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

### **Pensions**

Staff may join one of the Co-operative Group's three (PACE) pension schemes. Two of these are defined contribution schemes. One is a defined benefit scheme, open to staff with two years' continuous service. The employer contributes 2%, 8% or 16% of gross pensionable salary, depending on the pension scheme.

## 2. INCOME

- (a) Funding for grants to local parties represents money from membership bodies to be dispersed to local parties.

	2013	2012
	£	£
(b) <b>Society</b>		
Chelmsford Star	3,810	3,700
Co-operative Press	-	57
East of England	31,848	30,860
Glenhall Housing	-	134
Midcounties	37,553	36,495
Midlands	70,208	68,163
Scottish Midland	13,792	13,639
The Co-operative Group	579,446	562,570
Total Subscriptions	<u>736,657</u>	<u>715,618</u>

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

## 3. GRANTS & DONATIONS

	2013	2012
	£	£
The Co-operative Group donation	15,800	10,000
Other grants and donations	<u>4,251</u>	<u>12,825</u>
	<u>20,051</u>	<u>22,825</u>

## 4. EMPLOYEES

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

2013		2012	
Full time	Part time	Full time	Part time
8	2	8	2

The costs incurred in respect of these employees were:

	2013	2012
	£	£
Wages and salaries	393,491	396,773
Social security costs	41,022	34,109
Pension contributions	30,642	46,010
Others	85,988	16,336
	<u>551,142</u>	<u>493,228</u>

### Pensions

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

#### 4. EMPLOYEES (continued)

##### Senior Management remuneration

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

	2013 £	2012 £
Salaries	152,679	174,877
Pension Contributions	15,888	24,183
	<u>254,931</u>	<u>199,060</u>

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

	2013 £	2012 £
Salary	70,875	53,665
Pension Contributions	5,203	4,421
	<u>76,078</u>	<u>58,086</u>

The above salary is split 2012 as follows:

Michael Stephenson (left 27 April 2012) £ 29,255 and  
Karin Christiansen (commenced 28 August 2012 ) £ 24,410

#### 5. CONSTITUENCY PLAN AGREEMENTS

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

#### 6. TAXATION

	2013 £	2012 £
Corporation tax	<u>2,506</u>	<u>383</u>



## 7. TANGIBLE FIXED ASSETS

	Fixtures, Fittings & Equipment £	Total £
<b>COST</b>		
1 January	127,910	127,910
Additions	15,955	15,955
Disposals	(59,387)	(59,387)
31 December	<u>84,478</u>	<u>84,478</u>
<b>DEPRECIATION</b>		
1 January	115,566	115,566
Charge for year	7,816	7,816
Disposals	(59,386)	(59,386)
31 December	<u>63,996</u>	<u>63,996</u>
<b>NET BOOK VALUE</b>		
1 January	12,344	12,344
31 December	<u>20,482</u>	<u>20,482</u>

## 8. DEBTORS

	2013	2012
	£	£
Trade Debtors	47,260	73,116
Prepayments and accrued income	18,065	198
VAT repayable	6,112	0
Other Debtors	16,145	550
	<u>87,582</u>	<u>73,864</u>

Debtors are shown net of a provision for bad debts of £ 2,800 (2012 - £ 2,800).

## 9. CREDITORS

	2013	2012
	£	£
Trade Creditors	1,224	10,559
Taxation and Social security	12,546	10,350
Corporation tax	697	383
Accrued charges	46,489	40,914
	<u>60,956</u>	<u>62,206</u>

**10. RESERVES**

	2013 £	2012 £
<b>Revenue reserve</b>		
Balance at 1 January	310,009	204,309
Surplus/(Deficit) for the year	145,972	105,700
Balance at 31 December	<u>455,981</u>	<u>310,009</u>

**11. 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 2013 were £ 5,727 (2012 - £ 10,942). Certain directors of the board are also members of the boards or governing committees of other bodies in the Co-operative Movement (see note 13). Information regarding transactions between the Party and such bodies is given in note 2.

**12. RELATED PARTIES****The Co-operative Group**

At 31 December 2013, The Co-operative Party Limited held shares amounting to £ nil ( 2012 - £ 225,000) in the Co-operative Group

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

**Co-operatives UK Limited**

Co-operatives UK Limited provides accounting and payroll services for the Party. The charges for the services for 2013 were £ 6,000 (2012 - £ 4,000) and are fully paid.

Until 2006, the Co-operative Party was part of Co-operative UK and who between 2006 and 2013 continued to provide accounting and payroll support.

**13. RECONCILIATION OF SURPLUS/(DEFICIT) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES**

	2013 £	2012 £
Surplus for the year before interest	144,991	104,164
Depreciation charge	7,816	9,001
(Increase) in debtors	(13,718)	(13,463)
Increase in creditors	(1,250)	4,677
Net cash inflow from operating activities	<u>137,838</u>	<u>104,379</u>

**14. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	2013 £	2012 £
Interest received	<u>3,487</u>	<u>1,919</u>

## 15. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2013 £	2012 £
Purchase of tangible fixed assets	(15,955)	(2,107)
Investment in Co-op Group corporate investor shares	225,000	(75,000)
	<u>209,045</u>	<u>(77,107)</u>

## 16. ANALYSIS OF NET FUND

	1 January 2013 £	Cash Flows £	31 December 2013 £
Cash in hand	61,007	347,866	408,873
Total	<u>61,007</u>	<u>347,866</u>	<u>408,873</u>

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

We have audited the financial statements of the Co-operative Party Limited for the year ended 31 December 2013 which comprise Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 16.

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

### **Respective responsibilities of the Board and 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 2013 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 Industrial and Provident Societies Acts 1965 to 2002.

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65 St John St London EC1M 4AN

020 7367 4150

[info@party.coop](mailto:info@party.coop)

 [@CoopParty](https://twitter.com/CoopParty)

[www.party.coop](http://www.party.coop)

