

# NEC Guide

# 2019

Welcome to this short guide to the NEC. I hope you find it a useful introduction.

Please take some time to look through it. It won't cover everything you need to know, so do please ask about any aspect of your role that is unclear.

As Board Secretary, I am responsible for the effective corporate governance of the Party and for supporting the work of the NEC. Please do contact me in the first instance for anything relating to the NEC, Sub Committees or your own role.

My contact details are below, and for the other members of the team can be found on page 7.

I look forward to working with you during your time on the NEC.



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## The role of the NEC

The NEC is the National Executive Committee of the Co-operative Party. The Co-operative Party is a Political Party, registered with the Electoral Commission under the Political Parties, Elections and Referendums Act 2000.

The Co-operative Party is also registered as a Society under the Co-operatives and Community Benefits Society Act 2014. The NEC serves as the Board of Co-operative Party Ltd.

The NEC exercises all the powers of the Party, subject to the law and the rules of Co-operative Party Ltd. As set out in the rules it:

- appoints or removes the General Secretary, and determines the terms and conditions of appointment;
- approves an appointment by the General Secretary of other employees of the Party;
- receives reports on the business and activities of the Party from the General Secretary;
- approves an annual report, revenue account and balance sheet for each financial year;
- determines the Party's strategy and forward plans in consultation with the General Secretary;
- prepares and from time to time reviews the Party's membership strategy, its National Executive Committee Membership Policy, and when appropriate makes

recommendations for change, including changes to the rules of Co-operative Party Ltd.

General guidance on the role and responsibilities of a Society Board and its Directors (NEC Members) is also set out in the [Code of Governance](#), Co-operatives UK's '[Role of the Board](#)' and '[The Essential Society Director](#)', which accompany this Handbook.

## Composition of the NEC

The NEC is elected to serve for three years, commencing from the NEC AGM in June. It has:

- 1 member each from Scotland & NI (combined), Wales and the 9 English Regions. These are elected by one member, one vote by individual members in that nation/region.
- 1 Youth member, elected by one member, one vote by members under 30.
- 2 representatives from the Co-operative Group. These are nominated by the Co-operative Group in accordance with their own procedures.
- 2 representatives of the other affiliated Societies and Organisations. The affiliated societies and organisations nominate and vote for one man and one woman.
- 2 members of the Co-operative Parliamentary Group in Westminster, plus one co-opted from the Group in the House of Lords. These are chosen by the Co-operative Party's MPs.

Co-operatives UK may nominate a member, if they choose to, and the Secretary General or their nominee may also attend ex-officio.

The General Secretary (Joe Fortune – [j.fortune@party.coop](mailto:j.fortune@party.coop)) attends each NEC meeting, as does the Board Secretary (Karen Wilkie – [k.wilkie@party.coop](mailto:k.wilkie@party.coop)). Other staff attend as and when required.

## Requirements to serve as a member of the NEC

To be and remain a member of the NEC, you must comply with the following requirements. These are set out in the Rules of Co-operative Party Ltd:

No person can be a National Executive Committee Member who:

- does not meet the age requirements for an officer of a co-operative society;
- is not an individual member of the Party;
- refuses to sign a statement accepting the NEC Code of Conduct)
- has been declared bankrupt or compounded with their creditors and has not been discharged;
- is subject to a disqualification order made under the Company Directors Disqualification Act;

- has been convicted of an offence where the conviction is not treated as spent under the Rehabilitation of Offenders Act 1974;
- fails to abide by any rules for the conduct of elections made by the National Executive Committee

Anyone who no longer meets any of these requirements will immediately become ineligible to remain a member of the NEC.

## The General Secretary

The General Secretary is appointed by the NEC. They manage the business of the Party and report on this to the NEC.

## The Board Secretary

The Board Secretary is appointed by the NEC. They are responsible for advising the Party on all governance matters and for giving impartial advice in the best interests of the Party and its members. All NEC members have access to the advice of the Board Secretary.

The Board Secretary's functions (as set out in the Rules) include:

- acting as secretary to the National Executive Committee;
- keeping the register of members and other registers and books required by the rules;
- summoning and attending all meetings of the Party, and National Executive Committee, and keeping the minutes of those meetings;
- acting as Returning Officer in any elections;
- publishing reports on the Party's work to members;
- preparing and sending returns to the Financial Services Authority and any other statutory body.

## Governance

The National Executive Committee is the Board of Co-operative Party Ltd, a Society registered under the Co-operative & Community Benefits Society Act 2014.

As a registered Society under the Act, the Party is accountable to the Financial Conduct Authority (FCA).

The Party is also a Political Party registered under the Political Parties, Elections and Referendums Act 2000 and therefore also accountable to the Electoral Commission.

We submit our annual accounts and returns to the Financial Conduct Authority (FCA) and to the Electoral Commission. Returns to the FCA include details of the NEC and their other directorships and employment.

We are also required to send quarterly returns to the Electoral Commission detailing all subscriptions and donations to the Party - nationally and locally - and to comply with additional reporting requirements during elections.

## Rule Book

Within the legislation, the Co-operative Party is governed by its Rules.

### **The Rules of Co-operative Party Ltd.**

Section A of the Rule Book is the Rules (Constitution) of Co-operative Party Ltd. registered with the Financial Conduct Authority (FCA). These rules can only be changed at the Annual General Meeting (AGM) of the Society (which takes place annually, normally at the same time as Annual Conference), and any changes come into effect only after they have been approved by the FCA.

### **Rules of the Party**

The remainder of the Rule Book contains the rules for the Party and the model rules for party units. These are set by the NEC, subject to endorsement by Annual Conference. Any changes to these model rules overwrite rules agreed by local parties.

### **Policies and Procedures**

The NEC agrees policies and procedures in line with the rules and updates these as necessary.

## Code of Governance

The Party has adopted the [Co-operatives UK Code of Governance](#), subject to the exception that the term of the Chair is not limited. **The Code should be read alongside this Guide.**

## NEC Code of Conduct

Members of the NEC are required in the Rules to sign and abide by the NEC Code of Conduct. This is set out in full on page 5.

## NEC Personal Details and Statutory Reporting

The Party requires information on all NEC members in order to meet a range of statutory and administrative requirements. We have three forms, in addition to the skills audit, that we will ask you to complete and update annually.

- Information form – this includes the information we need to stay in touch with you as well as details required for our annual return to the FSA. You should also list anything that should be entered in the register of interests (see NEC Code of Conduct)
- Related transactions form – this is required each year for the audit. It lists your financial transactions with the Party, if you have any.
- Bank details – required by the Co-operative Bank for all our NEC members.

## Meetings & Sub Committees

The NEC normally meets four/five times a year.

### March

This meeting receives the report of the Auditor and approves the annual report and accounts for the previous year.

### June

The June meeting is the AGM. The NEC elects the Chair, Vice-Chair and Sub-Committee members for the forthcoming year.

### September

The NEC meets in September, by phone conference, to discuss the business of Annual Conference.

### October

The NEC has a full meeting on the eve of Annual Conference and may meet during Conference to deal with urgent Conference business.

### November

This is the Annual Strategy Weekend, when the NEC will agree the plan and budget for the forthcoming year.

The NEC may establish advisory, consultative and other committees as required, consisting of members of the NEC and other local Party members if appropriate. Of these, the Remuneration Committee, to determine the terms and conditions of employment of the General Secretary and other staff; and the Audit Committee, are required by the Society's Rules.

## Audit Committee

The Audit Committee is normally Chaired by the Vice-Chair of the NEC. In accordance with best practice and the Code of Governance, its membership should include at least one person with relevant qualifications or experience.

The Audit Committee receives the monthly accounts and meets at least quarterly – normally before an NEC meeting – to discuss the finances of the Party and risk management.

## Remuneration Committee

The Remuneration Committee (sometimes referred to as S&R), includes the Chair, Vice Chair and, by custom and practice, a representative of the Co-operative Group as the Party's largest subscriber. It meets as and when required to determine the terms and conditions of the General Secretary and other staff.

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## Policy Sub Committee

Policy Sub-Committee meets to discuss the policy programme for the Party. It normally elects five members, but other members of the NEC have been welcome to attend.

## Disputes Sub-Committee

The Disputes Sub Committee considers disciplinary issues referred to the NEC. Members subject to disciplinary measures by the NEC may appeal to the Disciplinary Committee (CPDC), which is a body elected from the membership at the same time as the NEC election.

## Conference Arrangements Committee

The Conference Arrangements Committee governs the procedures for the business of Annual Conference. Four members are elected from the membership at Annual Conference and one member is elected by the NEC.

## External appointments

The NEC can appoint two members to Labour's National Policy Forum, in addition to the General Secretary who is an ex-officio member.

The NEC also appoints the fraternal delegate to Labour Party national conference, to give the Co-operative Party's fraternal greetings.

## Staff

You can find a link to all of the Party's staff and their contact details [here](#).

## **Code of Conduct for Members of the Co-operative Party National Executive Committee (NEC)**

This Code of Conduct (the 'Code') sets out the standards of personal behaviour and conduct required of NEC members. It is based on the model Co-operatives UK Code of Conduct for Co-operative Directors, except where requirements are set out in the Rules of Co-operative Party Ltd.

Every member of the NEC must sign an acknowledgement accepting their obligation to comply with this Code in its entirety.

Candidates seeking election to the NEC will be asked to confirm that they have read and understood it, and, if elected, must sign a similar acknowledgement confirming their obligation to comply with it.

### **Qualification for office**

The Rules of Co-operative Party Ltd set out the criteria under which an individual is eligible to be a member of the NEC. A member of the NEC shall notify the Board Secretary immediately on becoming aware that they are not, or may no longer be, eligible to be a member of the NEC.

### **Commitment to Co-operative Principles**

The Co-operative Party is established to *promote co-operative and mutual forms of economic, social and voluntary 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.*

Each member of the NEC will discharge their responsibilities in a way that seeks to ensure that the co-operative remains committed to operating in accordance with the values and principles that are set out in the International Cooperative Alliance Statement of Co-operative Identity, which is the basis of all co-operative enterprises.

### **Carrying out the NEC's responsibilities**

Being a member of the NEC brings with it a commitment to carry out all necessary duties and responsibilities that must be performed by the NEC (also known as the Board of Co-operative Party Ltd).



Each member of the NEC will:

- Understand and abide by their legal duties and responsibilities.
- Act in accordance with the Rules of Co-operative Party Ltd
- Attend every meeting of the NEC and of any committee or sub-committees of the NEC to which they are appointed, unless there is an unavoidable reason for non-attendance, in which case the member of the NEC shall notify the secretary of this.
- Prepare properly for every meeting by reading in advance any documents sent out for the purpose of the meeting.
- Arrive on time for every meeting fully prepared and able to take an active role in discussions and decision making.

## Standards of behaviour

In addition to fulfilling their legal duties, members of the NEC are expected to show high standards of behaviour in carrying out their responsibilities. This is necessary in order that the NEC can function properly as a board, that it can play its part appropriately in the Party's overall governance, and that the Party's good name and reputation is maintained.

Member of the NEC will observe the following general standards. These are in addition to the Party's Rules on Conduct:

- In their dealings with each other, staff and members, NEC members must treat people politely, fairly, and with dignity and respect.
- On public occasions and on all co-operative business, NEC members must behave with integrity and in a way that is appropriate for a member of the NEC of such an organisation. NEC members must not bring the Party into disrepute or prejudice its general good standing in any way.
- NEC members should behave in a way that demonstrates their belief in the values and principles and ethical stance of the Party and shall conduct themselves in a way that does not call these beliefs into question or prejudice the general good standing of the Party in any way.
- Members of the NEC will treat meetings of the NEC or of any committee or sub-committee of the NEC to which he or she is appointed, as formal occasions, and will:
  - Accept the authority of the chair of any meeting, expressing all questions and points of view through the chair.
  - Listen to the views of other members of the NEC with an open mind, seek advice or clarification where needed, express their own views, and come to their own decisions on individual matters in good faith in what they believe to be in the best interests of the Party, considering relevant factors and ignoring irrelevant factors.
  - Accept decisions made by the NEC in accordance with the law and Party's governing document, even if they disagree with it and voted against it if a vote was taken. This includes a commitment to support any decision of the NEC outside of NEC meetings
  - Not resort to behaviour that could be considered aggressive or intimidating, e.g. swearing, name calling, shouting, finger pointing.

- Keep to the agenda, raise other issues under ‘any other business’ according to agreed procedures, and not engage in discussions during the meeting that are not relevant to the issues of the meeting.
- Not present misleading information or behave in a way designed to mislead the NEC.
- Ensure that they do not attend any meetings under the influence of alcohol, or illegal or recreational drugs.

## Confidentiality

NEC members will treat all information that they receive in their capacity as members of the NEC, and all discussions at NEC meetings or within committees or subcommittees of the NEC, as confidential.

NEC members will observe the following obligations of confidentiality:

- They will not disclose any information outside NEC meetings unless it is already in the public domain, or they are specifically authorised by the NEC to do so. This includes information about the Party’s business, the deliberations of the NEC in reaching decisions, and the way individual member of the NEC voted on issues.
- They will not use any information for personal advantage.
- They will not pass information to any representative of the press or media and will refer any press or media enquiries to the Party’s management executive.
- They will not make unauthorised copies of any documents.
- They will take proper care of any documents they receive as a member of the NEC, and store and dispose of them securely.

## Conflicts of interest

Any National Executive Committee Member who has a material interest in a matter as defined below must declare such interest to the National Executive Committee and:

- may be present in any discussion of the matter unless a majority of the National Executive Committee Members objects to their presence, but
- shall not vote on the issue (and if by inadvertence they do remain and vote, their vote shall not be counted)

Any National Executive Committee Member who fails to disclose any interest required to be disclosed must permanently vacate their office if required to do so by a majority of the remaining National Executive Committee Members

A material interest in a matter is any interest or contractual relationship (save for the exception referred to below) held by a National Executive Committee Member or their spouse or partner in any firm or company or business which, in connection with the matter, is

trading with the Party, or is likely to be considered as a potential trading partner with the Party.

The exception which shall not be treated as a material interest is shares not exceeding 2% of the total shares in issue held in any company whose shares are listed on any public exchange.

The Board Secretary must keep a register of NEC members' interests that is open to inspection by members.

## Taking independent advice

The Co-operative Party's Senior Management Team is responsible for running the day to-day business of the Party. If one or more members of the NEC have any questions about any aspect of the Party's affairs, they should be raised in the first instance with the General Secretary.

If any member of the NEC, or any committee or sub-committee of the NEC, believes that it is essential for independent advice to be sought on any matter to enable them to properly perform their duties then this should be done through the Board Secretary. If the matter on which the advice is sought directly concerns the secretary, the advice shall be sought through the chair.

If one or more NEC members are dissatisfied with advice given, or the NEC fails to obtain their requested advice, they should raise the matter with the Board Secretary. The Board Secretary may take further independent advice if they consider it to be in the best interests of the Party to do so.

If the Board Secretary is involved in the matter in question and cannot be regarded as independent for the purposes of taking further advice, an appropriate employee shall act in place of the Board Secretary. If neither the Board Secretary nor any member of the management executive can be regarded as independent for the purposes of the matter, it shall be referred to the Secretary General of Co-operatives UK.

## Induction and Ongoing Professional Development

New NEC members must complete the formal induction programme developed by the NEC to ensure that they can become as effective as possible, as quickly as possible, in their new role. Failure to do so without good reason is a serious breach of this Code.

NEC members should ensure that they are properly equipped to carry out their responsibilities. It is not sufficient to rely on current knowledge and experience. In order to

keep pace with changing needs, and changing legal and financial obligations, NEC members need to undergo appropriate training and professional development on an ongoing basis.

All members of the NEC shall take part in any training that the NEC resolves that they should undertake. Failure to do so without good reason is a serious breach of this Code.

## Hospitality and Gifts

NEC members must not, in their capacity as member of the NEC (or what might be perceived as their capacity as member of the NEC), receive from or give to any person or organisation any hospitality, gift or any other benefit, except in the following circumstances:

- Working meals or refreshments.
- Inexpensive items (less than £10 in value) such as free calendars.
- Hospitality in the course of the Party's business, which is disclosed to the Board Secretary and recorded in a register kept for this purpose.

NEC members must observe the terms of any policy that the Party might have concerning hospitality and gifts.

## Serving on the Board of another organisation

NEC members who serve on the board of any other organisation must treat their roles as member of the NEC of the Party and member of the board of any such organisation as separate.

This means that:

- They must maintain confidentiality in relation to information they receive in one capacity, and not disclose any such information in the other capacity unless they are expressly authorised to do so.
- When making decisions as a member of the NEC of the Party, they must make such decisions in what they consider to be in the best interests of the Party, and when making decisions as a member of the board of another organisation, make them in what they consider to be in the best interest of that organisation.

## Breach of this Code

All members of the NEC accept that they must comply with this Code if the NEC is to function and carry out its role properly and efficiently. Where any member of the NEC alleges that another member of the NEC is in breach of this Code, the following provisions will apply:

If the allegation is made in the course of a meeting, the matter is to be referred to the chair, who may:

- Request the member of the NEC alleged to be in breach to desist from any behaviour giving rise to the breach.
- Defer the matter to be considered by the NEC on a subsequent occasion.
- Adjourn the meeting.
- Request that the member of the NEC alleged to be in breach temporarily leaves the meeting for the matter to be discussed by the remaining NEC members present.
- Exclude the member of the NEC alleged to be in breach for the remainder of the meeting.

If the remaining members of the NEC are to consider an allegation of a breach of this Code at any time, the member of the NEC alleged to be in breach shall be given the opportunity to respond to the allegation.

If the remaining members of the NEC consider that a member of the NEC has committed a breach of this Code:

- The breach shall be recorded by the Board Secretary.
- The NEC may recommend that the NEC member in breach undergoes disciplinary action and/or training.
- The NEC may resolve to report the matter to the members at the next members' meeting.

A member of the NEC in serious breach of this Code may be removed from office by a resolution approved by not less than three-quarters of the remaining members of the NEC, provided that the remaining member of the NECs also consider that it is not in the best interests of the co-operative for that individual to continue as a member of the NEC.

Before any such resolution can be considered, the NEC member alleged to be in serious breach shall be notified in writing of the alleged breach and shall have an opportunity to answer the allegations made and to rectify the breach.

This Code of Conduct has been approved by the NEC of the Co-operative Party

Date: 25 November 2018

## **Co-operative values in practise – conduct at meetings**

As a Party, our co-operative values should be reflected in our actions as well as our policies.

All members should feel welcome and encouraged to participate, in meetings, events and on social media. There is no place in Co-operative Party for intolerance or abuse.

To enable this, we will: -

- Make meeting and events accessible and welcoming, encouraging maximum attendance and participation
- Conduct all meetings in a friendly and co-operative manner, in accordance with the rules & standing orders and in a manner that enables all views to be heard
- Not tolerate discrimination based on age, gender, sexual orientation, marital status, disability, colour, race, ethnic origins or religion, or any form of personal abuse in meetings or on-line.

## Social Media

1. The Co-operative Party recognises that social media and other forms of digital communications are a vital part of modern campaigning and communications.
2. We have an important part to play in political and public debates and a vital contribution to make in discussions about how to create a more co-operative United Kingdom. We should be loudly and proudly making the case for co-operation using all appropriate channels.
3. We are absolutely clear that the rules of the Co-operative Party apply just as much to activity that takes place on-line as it does to more traditional political activities like Party meetings.
4. Our co-operative values dictate that we will treat others with respect and not make personal attacks or abusive or intimidating remarks. Individual members not meeting these high standards in their conduct online may be subject to disciplinary action under Sections E and F of the Party's Rule Book.
5. High-profile members of the Party and those holding official positions within the Party including Party Officers, NEC members and elected representatives should be particularly mindful that their conduct online has the potential to reflect on the Party. Views expressed could be interpreted as reflecting the view of the Party even where this is not the intention.
6. We increasingly encourage local Co-operative Parties and networks to use digital and social media to build support for the Party and our ideas. However, Party Officers responsible for placing such content online must ensure that content is relevant to the work of the Co-operative Party; and that no content is placed on an official Co-operative Party communications channel which could bring the Party into disrepute or that is not consistent with the policy of the Party.
7. Content on official Co-operative Party social media channels in particular during both internal and external elections and selections must comply with the rules of those elections and selections. Communications using these channels must not be used to promote candidates in internal Co-operative Party elections or to promote Co-operative Party candidates in Labour Party selections unless the individual has been formally nominated as the Co-operative Party's candidate.

## Travel and Expenses

In most circumstances, travel and accommodation will be arranged by the Party.

For NEC meetings, please confirm with Joel Northcott ([j.northcott@party.coop](mailto:j.northcott@party.coop)) as early as possible in advance of the meeting that you are attending and will require accommodation and/or travel to be booked for you.

For other meetings undertaken as part of the work of the NEC, please contact Dorota Kseba ([d.kseba@party.coop](mailto:d.kseba@party.coop)) who will book tickets for you. The Party has a limited budget for NEC travel within your nation/region – please check in advance with the General Secretary or Board Secretary that your trip can be authorised.

To claim expenses, you must:

1. Submit all receipts, together with a note detailing the event and date, to [d.kseba@party.coop](mailto:d.kseba@party.coop)
2. Do this within one month of the event

### Subsistence

For NEC members who are required to travel to meetings and this has not been booked centrally, a standard amount - or **actual cost if less** can be reimbursed to cover hotel and meals.

Breakfast (travelling before 6.30am)	£10.00
Lunch (travelling before 12pm and after 2pm)	£15.00
Dinner (travelling after 9pm)	£25.00
Overnight*	£100.00

Any claims in excess of these authorised limits must be referred to the General Secretary or Board Secretary. All claims must be supported by receipts.

Hotel accommodation should be booked through the Finance Officer, Dorota Kseba, 020 7367 4155, [d.kseba@party.coop](mailto:d.kseba@party.coop).

### Travel

Expenses should be kept to a minimum and the cheapest available means of transport used at all times. Rail travel should be at the most competitive rate possible i.e. 2nd class and booked in advance when feasible.

If there is no reasonable alternative to travel by car, the mileage allowance is 40p.

### Sundries

Any items not included in the above headings, e.g. car park, toll fees, refreshments when travelling (not covered by meal allowances) must be accompanied by receipts.

### Important

Expense claims that are not supported by vouchers/receipts will only be reimbursed in exceptional circumstances. Please ensure that all claims are made within one month of the event.