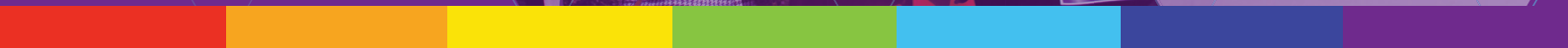




the co-operative party

politics for people

annual report | 2016



About us

The Co-operative Party

Since it was founded in 1917, the Co-operative Party has strived to build a society where wealth and power are shared and where the co-operative movement can flourish.

For 100 years, the Party has worked with the co-operative movement to empower consumers, protect the environment, and to champion fair trade. We have fought to ensure that there is a legislative and regulatory environment in which co-operatives old and new can grow and thrive. As defined in our rules, the Co-operative Party seeks:

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

What is a co-operative?

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

Co-operative businesses in the UK

The co-operative sector is large, diverse and growing. According to Co-operative's UK's 2016 Co-operative Economy Report, there are now 6,797 independent co-operatives operating in the UK, employing 222,785 individuals and contributing £34.1bn to the UK economy. This is up from £33.6bn in 2012. There are now 12.5m members of co-operatives around the country. The combined UK tax contribution of the top five co-ops in 2016 is £82m, equivalent to the combined UK tax contributions of Amazon, Facebook, Apple, eBay and Starbucks.

Co-operatives are present in a diverse range of sectors. In manufacturing, there are 73 co-ops with a combined turnover of £280m, in housing there are 671 with a turnover of £721m and in retail there are 505 co-operatives with a combined turnover of £23.3bn.

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Chair's report

2016 was a very successful year for the Co-operative Party. Membership is at an all-time high. The Co-operative Party had its best results in the local government elections in England. Our Local Government Conference was oversubscribed and the Co-operative Party Conference in Cardiff was attended by over 350 people. We published pamphlets outlining co-operative solutions to the very real problems facing Social Care in England and a co-operative vision for the new city and county regions.



In Wales, The Labour & Co-operative group in the National Assembly increased from 9 to 11, and is now the largest group the Co-operative Party has ever had. In May 2016, 116 Labour & Co-operative councillors were elected across England. There are more than 500 official Labour & Co-operative Councillors in Britain and hundreds more Labour Councillors who are members of, and support the aims of, the Co-operative Party. In Scotland, the number of Co-operative MSPs has increased from 4 to 8.

Since 2010, local government has demonstrated its ability and willingness to innovate in tough times. Co-operative values have been at the heart of much of this innovation – working to develop and support co-operatives and social enterprises to create local growth and jobs, supporting families in tough times and finding new ways to provide local services, that might otherwise be lost altogether. The Co-operative Party wants to play an even bigger role in supporting our army of Co-operative Councillors to lead this work in the future.

There was, however, palpable shock following the result of the EU referendum. The Party is proud of our, and the co-operative movement's, international stance and actively encouraged our members and supporters to support the Remain side – and we know that many did so. The Party, working with Co-ops UK and individual co-operative societies, will now be closely watching for legislative or policy changes that may adversely affect co-operatives large or small as discussions move forward, as well as looking for positive opportunities to advance co-operation in the future.

We were all appalled, shocked and saddened by the tragic death of the MP for Batley and Spen, Jo Cox. Whilst Jo wasn't a Co-operative MP, she had been a Party member for some years. The Party expressed our deepest condolences to her family.

The resurgence of interest in politics during 2016 has clearly benefitted the Co-operative Party. Our solutions are now seen as a real alternative to people who feel powerless and want to see an economy that delivers fairer rewards. The impact of this is that our membership has reached a historic high of 10,000 and we will continue to drive this momentum into 2017.

As we move into our 100th year, WT Allen's words as he chaired the Co-operative National Emergency Conference in 1917 still act as our rallying cry:

"... Co-operation is a theory of society and, therefore, a legitimate basis for a political party. If there is still any doubt as to the need for political action this conference will settle that doubt. We have things to safeguard, things to stand for, things to achieve."

A handwritten signature in purple ink that reads "Gareth Thomas". The signature is fluid and cursive, with the first name "Gareth" written in a larger, more prominent script than the last name "Thomas".

Gareth Thomas
Chair of the Co-operative Party

We will promote participation and empower our people

Strategic Objectives 2016-19

Following a comprehensive review of the Party's strategic objectives in 2015, a summary of our 3-year medium term priorities and strategic plans was circulated to local Parties and branches for consultation and feedback.

Following this consultation, we produced a 'Strategic Plan for the Co-operative Party 2016-2019' to direct the Party's work and priorities through the Centenary Year to the end of 2019. Much of the plan is being implemented by the NEC, elected members and full-time staff. There is also a lot for local parties and individual members to do and a guide was also circulated to all local parties that offered suggestions on how to support the plan.



Enable the delivery of co-operative solutions

locally, regionally and nationally in every sector of society and the economy

In Westminster

Campaigning for a #neweconomy

The Co-operative Party exists to champion co-operative and mutual forms of economic, social and voluntary organisation. A priority for the Party in 2016 was making the case for an economy in which workers and consumers have a greater say in the running of the businesses they work for, and trade with, and receive a fairer share of the profits. We took our campaign to the national media, social media and into Parliament.

Labour pledge to double the UK's co-operative sector

As a result of engagement with the Co-operative Party, the Shadow Chancellor John McDonnell MP pledged to double the size of the co-operative sector in the UK, currently valued at £37bn. Speaking in Preston, he emphasised that co-operatives would play an essential part in the economy of the future and pledged to ensure the conditions for co-operative entrepreneurship to flourish. Announcing that an incoming Labour government would launch a consultation for new legislation to unlock capital funding for small business by enabling mutual guarantee societies to be formed, he stated "The opportunity here is huge ... Our co-operative sector is just 20% of the size of Germany's. But it's grown by 15% since 2010".

Parliamentary Debate on 'the co-operative contribution to the economy'

In July, MPs from a range of political parties debated the co-operative contribution to the economy. Labour & Co-operative MP Stephen Doughty secured the debate with cross-party support from

Steve Baker MP and Mike Wood MP (Conservative) and Mark Williams MP (Liberal Democrat).

Topics covered included:

- Co-operatives UK's Co-operative Economy 2016 report.
- The leadership shown by the co-operative movement through the Fair Tax Mark including specific reference to Midcounties, East of England, Central England, Scotmid and the Co-operative Group.
- The potential for co-operative businesses to expand into new areas of provision as set out in the 'Co-operative Advantage', published by Co-operatives UK.
- The role of employee ownership and worker co-ops in creating innovative and productive businesses.
- The case for a change to the system of non-domestic rates to support retailers – including the co-operative retail societies - that retain a valued presence on Britain's high streets.
- The contribution that co-operative models, working with trade unions, can play in supporting the growing number of self-employed workers as explored in the Wales Co-operative Centre's 'Not Alone' Report.

The Minister for Civil Society, Rob Wilson MP (Conservative) responded positively to the debate. The Party will work with Co-ops UK and politicians from all parties to build on this and to encourage government to take action to support the co-operative sector.

The Bus Services Bill

The Government's Bus Services Bill was challenged in its passage through Parliament with the Party promoting proposals for social enterprise and mutual bus companies, which give communities a stronger say over bus services and new legal powers over bus services in their areas, including new rights over routes at risk of closure. Co-operative MP Gavin Shuker met with the Transport Minister Andrew Jones MP to discuss the potential for expansion in the not for profit and mutual bus sector and Co-operative Peer, Lord Kennedy of Southwark, promoted the proposals during the legislative process in the Lords.

Speaking during the Report stage of the Bill, Labour's spokesperson, Baroness Jones tabled two amendments, both supported by the Co-operative Party, and focussed on recognising the vital importance of bus routes to the communities they serve. Amendment 97 sought to enable communities to designate bus routes as assets of community value and Amendment 73 required local authorities wishing to adopt these new powers to consider social value, as defined in the 2012 Social Value Act, when commissioning bus services. In response, Lord Ahmad promised to strengthen the guidance accompanying the Bill to ensure local authorities give proper consideration to social value.

The Small and Medium Sized Co-operative Development Bill

Working with Co-operatives UK, the Party drafted and initiated this Bill introduced in Parliament by Labour & Co-operative MP Adrian Bailey. Across Britain, a new generation of small and medium-sized co-operatives are blossoming, but there is huge further potential for the sector to grow. In a whole range of areas, small co-operatives are burdened with rules and requirements that do not apply to other company types of an equal size. Under current rules, small co-operatives are required to divert unnecessary time and expense appointing 'lay auditors' and meeting other complex reporting and auditing standards that usually only apply to large companies. They must also meet regulatory requirements based on measures such as turnover that aren't always appropriate, or the best way of measuring a co-operative business's size or level of risk.

The Bill aimed to cut back red tape and bring the regulation of co-ops into line with other types of businesses by making small but important changes to the Co-operative and Community Benefit Societies Act 2014. The Small and Medium Size Co-operative Development Bill, a Ten Minute Rule Bill, was also backed by fellow Co-operative MPs. Subsequently the Government agreed to the introduction of secondary legislation to bring the audit requirements for smaller societies in to line with other business models.

Profit-sharing and Company Governance (Employee's Participation) Bill

The Bill tabled by Gareth Thomas MP was supported by a significant number of Co-operative MPs including Chris Evans, Meg Hillier, Steve Reed, Louise Ellman, Adrian Bailey, Rachael Maskell, Stephen Twigg, Mark Hendrick, Stephen Doughty, Kate Osamor and John Woodcock. The Bill, and an opinion poll commissioned by the Party, received national media coverage in the Mirror, the Independent, the Morning Star and Co-operative News.

Bank of England and Financial Services Act

Working alongside the Building Societies Association, the Co-operative Party, supported an amendment to the Bank of England Act. The legislation now includes a 'diversity clause' under which the Treasury must consider how to support more diversity within the financial services sector. We believe this should lead to increased support for the financial mutual sector.

Schools White Paper

The Party was delighted that the Government dropped plans to force all schools across England to become academies following lobbying from a range of stakeholders. Co-operative MPs, including Gareth Thomas, had raised the concerns of the co-operative trust schools sector about the potential impact on them. The Co-operative Party continues to be concerned about the proposal to remove the duty on schools to have elected parent governors.

Championing Fair Tax

Following the revelation of the Google tax deal, Labour & Co-operative MPs Anna Turley and Seema Malhotra, in the Parliamentary debate on corporate taxes, highlighted the leadership being provided by the co-operative movement on the issue, in particular those that have been awarded the Fair Tax mark. Coverage in The Independent highlighted this further.

Championing Mutual Finance

In the face of bank branch closures and increasing financial exclusion, Co-operative Party MPs Gareth Thomas and Chris Evans called on Treasury Minister Harriet Baldwin to redouble efforts to bring Government support to stimulate further expansion of the mutual financial sector. During a debate in the House of Commons. Gareth Thomas MP stated that:

“This trend is towards bank branch closures, and we tend to see that more in areas of deprivation and of the greatest need. Given that in the areas people often face high interest rate alternatives... we should hear more from the government about how they intend to create more responsible finance.”

Both Co-operative Party MPs highlighted the role of credit unions as central in the response to financial exclusion. Chris Evans pressed the Minister to look at the potential for legislation to free credit unions to continue expanding and growing into new markets and to become a national network of community owned banks. Gareth Thomas asked Ministers whether it was not time for credit union promotion to employees to become a statutory duty for public sector organisations such as the NHS and TfL.

Gareth Thomas MP's contribution also highlighted the important role Building Societies play in serving their communities and the £250 million worth of lending that responsible finance organisations such as CDFI's pump in to small and medium size businesses each year.

Co-operative Housing

Gareth Thomas MP promoted co-operative amendments to the Housing Bill during its Committee stage. The amendments sought to ensure housing co-operatives were not covered by Pay to Stay and Right to Buy provisions. Lord Kennedy of Southwark, working with Lord Beecham, secured a debate in the House of Lords at the end of April on government support for co-operative housing. He highlighted the progress being made in Wales and won agreement from the Minister to look at whether England could learn from the Welsh experience.

Enterprise Bill

The Co-operative Party worked with Co-operatives UK and the Labour Business Innovation & Skills team to promote an amendment to the Enterprise Bill that would enable the use of mutual guarantee societies. These allow SMEs to come together to secure support from banks that would not otherwise be available to them – a mechanism that is available in other countries. The issue was taken forward by Co-operative MP Christina Rees in December when she introduced a Ten-Minute Rule Bill on the subject.



Community-owned renewable energy

Labour & Co-operative MP for Cardiff South & Penarth Stephen Doughty outlined the difference in approach between the Westminster and Welsh Government on community energy. He pressed the Conservative Government to take the opportunity the Wales Bill afforded to repair the damaging changes to community energy's regulatory regime and to help facilitate a new community energy revolution in Wales.

London Mayoral Election

The Co-operative Party worked with Sadiq Khan's team to produce the article he wrote for Co-operative News setting out his commitments to advance co-operation if elected.

Co-operatives Fortnight

The Party's elected representatives used the opportunity afforded by Co-operatives Fortnight to highlight the contribution of co-operatives to our economy and society.

- **Co-operative MP Gavin Shuker**, Chair of the Co-operative Party Parliamentary Group in Westminster wrote an article highlighting the role that co-operative values can play in the future as the country navigates the changes brought about by the EU referendum
- **Johann Lamont MSP**, the Chair of the Co-operative Party Group in the Scottish Parliament tabled a motion.
- **Jeremy Miles AM**, the Chair of the Co-operative Party Group in the Welsh Assembly tabled a Statement of Opinion.

All our candidates in the Scottish Parliamentary election signed up to the ABCUL's Credit Union Nation Charter.



The Party's elected representatives have worked closely with a wide range of co-operative organisations to highlight the contribution of co-operatives to the Scottish economy.

The Party worked with local credit unions and with local activists to promote credit unions, with Claudia Beamish MSP appointed as the Vice-Convenor of the Cross-Party Group on Credit Unions in the Scottish Parliament. All our candidates in the Scottish Parliamentary election signed up to ABCUL Scotland's 'Credit Union Nation' charter.

Labour & Co-operative MSPs were active on a number of other issues in 2016:

Land reform

In January, Co-operative MSPs Johann Lamont, Claudia Beamish and Sarah Boyack called on the Scottish Government to promote the mutual ownership of land. The Land Reform (Scotland) Bill promoted Community Benefit Societies as a possible means of communities owning land. Johann Lamont MSP asked the Scottish Government what they will do to promote and support co-operative and mutual ownership of land in Scotland. Claudia Beamish MSP asked the Government to amend the Bill to make promoting co-operative development one of the tests of the Scottish Government's decision on whether to allow community ownership or not.

Sarah Boyack MSP asked that the SNP Government live up to their commitments to deliver radical land reform. Since the land reform legislation was passed our MSPs have continued to press the Scottish Government to make clear what support will be given to communities to form co-operative and mutual forms of land ownership.

Fan ownership of football clubs

The Scottish Co-operative Party submitted a response to the Scottish Government's consultation Fan Ownership encouraging them adopt measures to protect team names, colours and badges and to adopt proposals from Supporters Direct to introduce new tax incentives for fan owned clubs. The Scottish Co-operative Party's proposals were

backed by Ian Murray MP, Labour's Shadow Scottish Secretary.

Transport

Neil Bibby MSP is Scottish Labour's spokesperson on Transport and championed the Party's People's ScotRail campaign in the face of problems around the franchise, let by the Scottish Government to Abellio. The Scottish Co-operative Party made a submission to the Scottish Government's consultation on the future of the ScotRail franchise and has been assured by the Scottish Government that our People's ScotRail document will be considered in that review.

In November, the Scottish Co-operative Party launched our People's Bus campaign with a campaign day addressed by Jackson Cullinane from Unite Scotland, Claudia Beamish MSP and Neil Bibby MSP. The campaign was taken to the streets of Glasgow and continued across Scotland, with many of our councillors promoting it in their own areas. We hope that the forthcoming Transport Bill from the Scottish Government will include a commitment to giving people a say over local bus services.

At Holyrood

Johann Lamont MSP, tabled a motion promoting co-operatives and Co-operatives Fortnight. She highlighted the size of the co-operative economy in Scotland and the positive impact that co-operatives make to empowering communities.

James Kelly MSP campaigned on behalf of consumers against the scourge of nuisance telephone calls. He raised the matter in First Minister's Questions and has called for action from both the UK and Scottish Governments to deal effectively with this problem, which targets the vulnerable in their own homes.

Events in Scotland

The Scottish Co-operative Party was represented at STUC Congress and the STUC Women's Conference. Political Officer, Richard McCready, spoke about Co-operatives in Local Government at the Convention of Scottish Local Authorities.

Taking Wales Forward

Early in 2016, the Welsh Government reviewed the implementation of the Co-operatives & Mutuals Commission recommendations. Significant progress included the Development Bank for Wales Feasibility Study, the Social Business Wales Specialist Business Support Project, the Management Succession Fund and commissioning a report on mutual models for public service delivery.

Support was also given for a review of the legislative framework for school governing bodies to allow them to be founded on co-operative principles.

Following the re-election of a Labour Government in May, four of the eleven Labour & Co-operative AMs were appointed to the Government. These included Vaughan Gething as Cabinet Secretary for Health, Well-Being and Sport; Rebecca Evans as Minister for Social Services and Public Health and Alun Davies as Minister for Lifelong Learning and Welsh Language. Mick Antoniw, who previously chaired the Co-operative Assembly Group, joined the Cabinet as Counsel General.

The Welsh Government published its programme for government which, thanks to the influence of the Co-operative Party – had co-operative and mutual approaches throughout. 'Taking Wales Forward 2016-2021' set out how the Labour & Co-operative Government will deliver more and better jobs through a stronger, fairer economy; improve and reform public services; and build a united, connected and sustainable Wales.

The co-operative movement and its values and principles provides inspiration in commitments ranging from financial inclusion to transport – all backed up by specific tailored support for co-operative and mutual businesses.

During the year, the Welsh Government also continued to give financial as well as policy support to the movement. In September, the new £4m Social Business Growth Fund was announced to complement the work of Social Business Wales. £90,000 support was announced for Energy Local

to develop a pioneering scheme in Bethesda to match householders' use to the local hydro, with Co-operative Energy as the supplier.

In November, the Welsh Government announced almost £1/2m support for credit unions.

In the National Assembly for Wales

Jeremy Miles AM was elected to Chair the Co-operative Party Assembly Group in May. The Group agreed to prioritise Housing, Health & Social Care and Community Assets, but have also intervened on a range of issues set out in 'A Co-operative Agenda for Wales', including local energy, transport and housing.

The Co-operative Assembly Group agreed a regular programme of meetings with Ministers to discuss co-operative policy within their portfolios. The first of these meetings was with Rebecca Evans AM to discuss Social Care and the progress of 'Care to Co-operate', a Welsh Government funded scheme run by the Wales Co-operative Centre.

Labour & Co-operative Assembly Members continue to show cross-party leadership on co-operative issues within the Assembly. The Cross-Party Group on Co-ops and Mutuals holds regular meetings of AMs from all parties, convened by the Chair of the Co-operative Party Assembly Group (Mick Antoniw prior to May, then Jeremy Miles). Meetings in 2016 included the launch of the Wales Co-operative Centre's report by Pat Conarty, 'A Collaborative Economy for the Common Good,' and a briefing on community asset transfers.

During Co-ops Fortnight, the Assembly Group laid a Statement of Opinion, supported by others, urging the Welsh Government to continue to recognise the contribution of co-operatives to a stronger, fairer Wales, and to prioritise implementation of the Co-operative and Mutuals Commission recommendations.

In Local Government

Following the NEC's decision to place greater emphasis on local government in the next three years, this has been a growing area of Party activity with Cllr Emma Hoddinott appointed as our Local Government Officer.

Devolution & City Regions

With the new City Regions set to get a new elected mayors and increased powers, the Party is taking an active role in seeking to influence the devolution agenda to build a fairer city regions using our co-operative values.

In February, the Party held special event in Greater Manchester to explore making the most of this opportunity. Speakers included Tony Lloyd; (Interim Mayor of Greater Manchester); Jim McMahon MP; Ivan Lewis MP and Britta Werner (Unicorn Co-operative).

In March, the Party held the second of these events in Liverpool, bringing together Councillors and co-operative activists to talk about how to influence the debate ahead of their Direct Mayoral election. Speakers at the event included Cllr Paul Brant, Cllr Liam Robinson, Chair of MerseyTravel and Miatta Fahnbullah, Director of Poleis.

Members in Leeds and Birmingham also came together to discuss how the reformed arrangements in local government can support and promote the co-operative model

Creating opportunities for businesses who pay their fair share of tax

Labour & Co-operative Councillors in Manchester, Salford, Durham and Lewisham led the way in calling for greater transparency in tax affairs by councils proactively avoiding doing business with organisations which avoid tax. In Plymouth, Labour & Co-operative councillors tabled a motion calling on Devon County Council to tighten its procurement rules. Manchester City Council changed its procurement rules.

The Power of Co-operation in local government

The Co-operative Party's Local Government Conference took place at the Peoples' History Museum in Manchester on 12th November.

The agenda included sessions on the role of councils in education, social care, community empowerment and local economic development.

Speakers included Andy Burnham, Labour's candidate for Greater Manchester Metro Mayor; Cllr Sue Murphy, Deputy Leader, Manchester City Council; Cllr Jean Stretton, Leader, Oldham City Council; Cllr Warren Morgan, Leader, Brighton and Hove City Council; Cllr Judith Blake, Leader, Leeds City Council; Cllr Jo Platt, Cabinet Member for Children's Services on Wigan Council; and Jim McMahon MP. The Conference was chaired by the Co-operative Group's National Members' Council President, Cllr Nick Crofts. We were delighted with amount of interest and number of people who attended, making it hugely oversubscribed. It will now become a yearly event.



Labour Local Government conference

The Party held a successful fringe meeting at the Labour Local Government conference in Nottingham with speakers including Cllr Chris Herries, Cllr Chris Penberthy, Cllr David Rodgers, Cllr Paul Brant and Steve Reed MP, as well as a stand at the event.

Scottish local government elections

The Party held several events to promote standing as a Scottish Co-operative Party candidate in the 2017 Scottish local government elections, with the aim of fielding candidates across the length and breadth of Scotland. The Party developed a policy agenda for Scottish local government and will build on the excellent work done by Edinburgh and Glasgow City Councils as co-operative councils.

Supporting Co-operative Councillors

The Party increased and improved regular briefings to local Councillors, providing practical ideas for local action including information on the Fair Tax Mark in local government, a briefing from Social Enterprise UK on the use of the Social Value Act and a call for support for the We Own It campaign. We created an online Hub for all information relevant to local government candidates and local parties looking to support local government candidates in 2016, and a Co-operative Councillors' Facebook Group to enable Co-operative Councillors to share ideas and to support one another.

The Party's Local Government Officer is actively working with Party Councils and branches to develop the role of Co-operative Councillors and to provide new guidance on selection and accountability.

Publications

'Taking Care: a co-operative vision for social care'

In September, we published Taking Care, our publication on adult social care in England. The Co-operative Party sets out a vision for co-operative social care in which services are owned and run by carers, those who receive care, and their families. The launch of the report was covered in the Guardian, Care Management Matters, Local Government Chronicle and the Municipal Journal.

The report was sent to 200 stakeholders in Westminster, local government and the care sector. The Party also submitted evidence to the Parliamentary Select Committee for Local Government's investigation into the future financial sustainability of the social care sector, outlining the arguments from the Taking Care report.

taking care
a co-operative vision for social care in England

James Scott
September 2016

coop the co-operative party

...r visits has become one way of reducing the budgets. In 2012, almost three quarters of periods of 30 minutes or less, with one in ten for 15 that care workers are overworked and underpaid, meaningful relationship with their service users.

...ound the quality of care provision, the crisis which private providers are willing and getting cheaper services delivered at scale. co-operative can intervene in this crisis, this broken market in adult social care.

...e in net adult social care spending in transfers from the NHS budget**

Year	Excluding transfer from NHS	Including transfer from NHS
2007	10%	10%
2008	5%	5%
2009	10%	10%
2010	10%	10%
2011	10%	10%
2012	10%	10%
2013	10%	10%
2014	10%	10%
2015	10%	10%
2016	10%	10%
2017	10%	10%
2018	10%	10%
2019	10%	10%
2020	10%	10%
2021	10%	10%
2022	10%	10%
2023	10%	10%
2024	10%	10%
2025	10%	10%
2026	10%	10%
2027	10%	10%
2028	10%	10%
2029	10%	10%
2030	10%	10%

18 King, C. (2015) Care is not a commodity.
19 Hounsome, R. and Appleby, J. (2015) Social care: a future we don't yet know. The King's Fund Blog. Available at <http://www.kingsfund.org.uk/blog/2015/10/social-care-a-future-we-dont-yet-know>

20 | Taking care: a co-operative vision for social care in England the co-operative party



'By Us, For Us: a co-operative vision for combined city and county authorities'

Covering a range of policy areas – transport, energy, economic development, social care, regional banking and financial inclusion, this publication - launched in November - argues that recent devolution of power and services from central to local government has the potential to contribute to the creation of a fairer society. It asks that co-operative values and principles be central to the agendas of the newly established 'Metro Mayors' and combined city and country authorities.

Credit unions & local government

The Co-operative Party and ABCUL jointly published a practical guide on how local authorities can work with credit unions - 'Credit Unions and Local Government: working in partnership'. This includes case studies from across the UK. The Party worked with ABCUL to disseminate the report.



Influencing Labour policy

The Co-operative Party has three seats on Labour's National Policy Forum – the body that oversees the development of Labour Party policy. The first round of policy documents was produced ahead of the Labour Party Conference in September and the Party was successful in securing positive commitments to co-operation within the most relevant documents. The Party's General Secretary has been appointed to Labour's Future of Work Commission, chaired by Tom Watson MP, Labour's Deputy Leader.

Scottish Labour Party

The Scottish Co-operative Party published the 'Co-operative Agenda for Scotland' at Scottish Labour Conference in February. Party officers in Scotland engaged at a high level with those drafting the Scottish Labour manifesto, on issues ranging from the future of Co-operative Development Scotland to not-for-profit models in local transport and support for community renewable energy.

Welsh Labour Party

'A Co-operative Agenda for Wales 2016', the Party's policy platform for the Welsh Assembly elections, was launched in January in Cardiff Bay. Since 1999, the Party has worked with Labour in the Welsh Assembly and the Welsh Government to promote co-operative approaches and ideas. First Minister Carwyn Jones wrote for Co-operative News in a piece that highlighted the Welsh Government's record in supporting co-operative and mutual solutions and suggested areas for future action if the Labour Government was re-elected. He described the Co-operative Party as an "ideas factory".

The Party held a fringe meeting at Welsh Labour Conference in Llandudno in February to promote the Co-operative Agenda for Wales and our Assembly candidates.

Inspire, educate & inform

the public and decision makers about co-operation

Social media

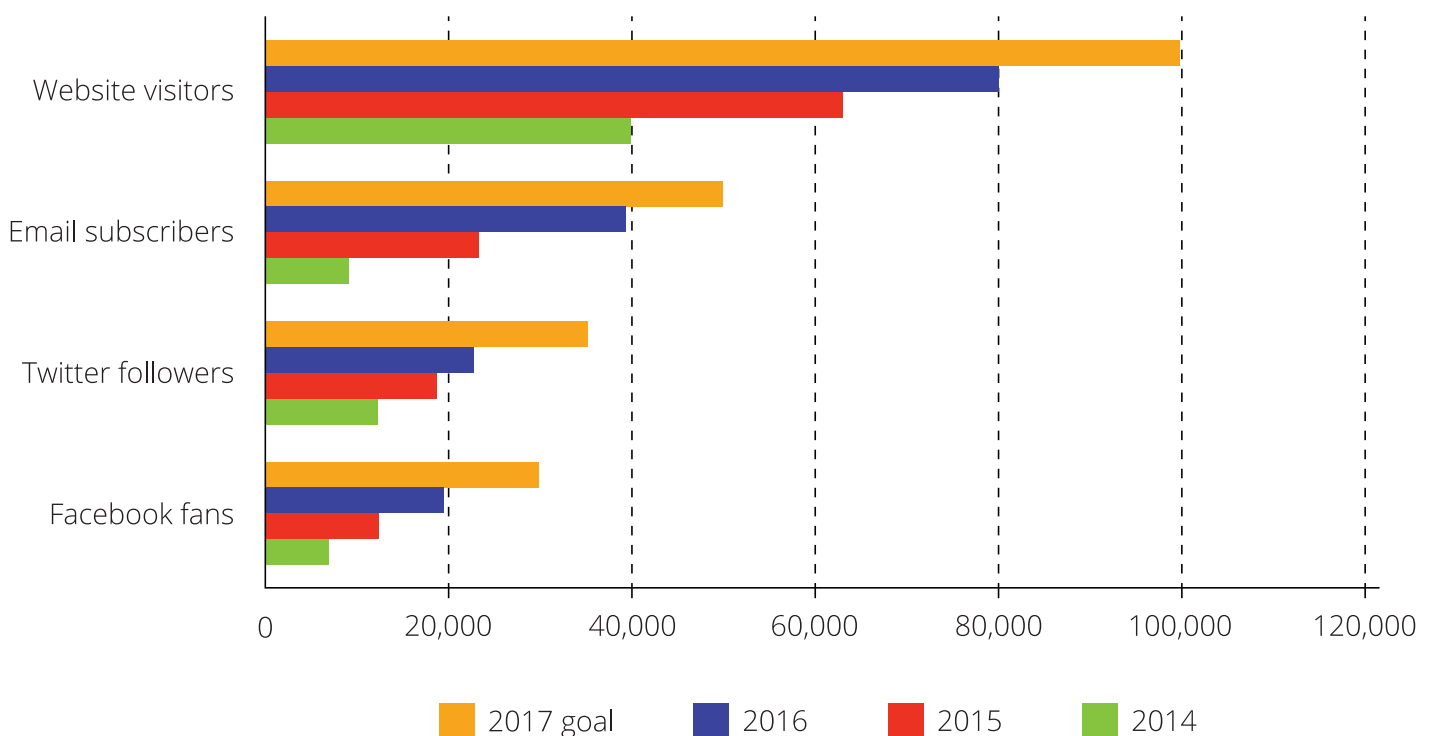
In 2016, the Party had real success in our objective to become a digital leader by putting stories and case studies at the heart of how we communicate. We increased our social media following and the impact it has. 'Reach' for our social media interventions is now 30,000 people on key issues.

The film timed to coincide with September's Labour Party Conference had a reach of 41,600 people and was viewed 12,000 times on Facebook.

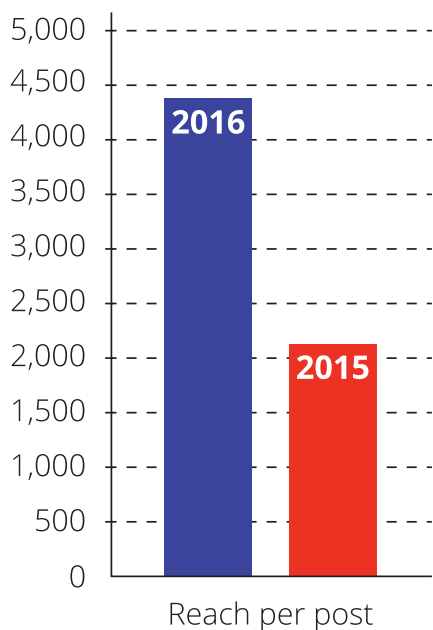
In October, our 99th birthday clip (a short animation) reached 37,500 people and was viewed 10,168 times on Facebook. On Twitter, it was one of our best performing tweets ever, with 105 retweets and 63 likes.

A blog post on the problems with the ScotRail train franchise and the push to bring the Abellio franchise into democratic ownership gained a reach of 35,700 on Facebook and was our most read post ever.

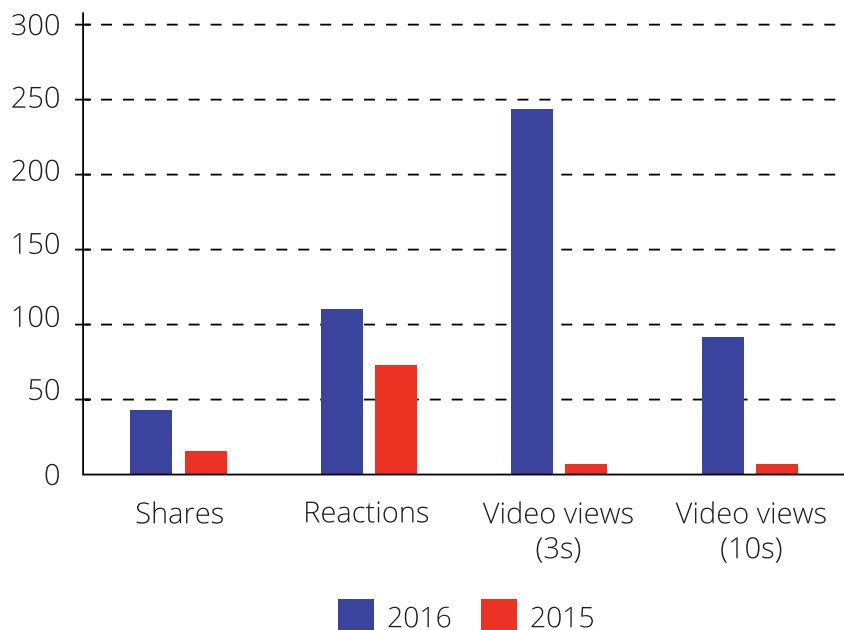
Growth in digital channels 2014-2016



Average reach per Facebook post



Average interactions per Facebook post



Other communication and campaign work

Cross-Party support for BBC mutualisation

In February, the General Secretary met with James Purnell, the Director of Strategy for the BBC, to discuss our proposals for a mutual model for the BBC. At the end of March, Gareth Thomas MP and Conservative MP Steve Baker wrote a joint letter to the Times supporting the Co-operative Party's proposals for a mutually owned BBC. The letter pointed out that none of the options being considered by Ministers or the select committee address the twin problems of ownership deficit and the accountability gap.

People's Bus campaign

People's Bus campaign was launched in Westminster in January. Shadow Transport Ministers Lillian Greenwood MP and Daniel Zeichner MP attended, along with Bill Freeman from the Community Transport Association.

After a year of work by local Labour & Co-operative councillors to save local bus services for the

community, West Oxfordshire Community Transport (WOCT) has been set up in Witney and is carrying its first passengers, after cuts to the local bus service threatened to leave residents stranded.

For many of its most vulnerable residents, the loss of a bus service to connect the town with outlying estates would have been devastating. Over the past year, local Labour & Co-operative councillors, working with the community have been stepping up to find a solution. Timetables, fares, and the routes that people in the area rely on haven't changed, and bus passes will be accepted as before. But one thing is different: for the first time their buses will belong to the community itself, run for passengers, not profit. A short film about WOCT is on the Co-operative Party's Facebook page.

International Credit Union Day

To highlight International Credit Union Day, the Co-operative Party asked former Labour Party leader Ed Miliband MP to write an article highlighting the critical role of credit unions. He wrote:

“Financial inclusion driven by Credit Unions across the country is vital. The wide range of financial products they offer must benefit from wider public awareness. And their work should be seen as a benchmark for the country’s major financial institutions in how to provide accessible community banking.”

Chair of the Co-operative Party Parliamentary Group, Gavin Shuker MP, recorded a video blog on our Facebook page where he outlined the work on credit unions that the Co-operative Party’s Parliamentary Group are doing and why the sector is so important.

Mutual models in utilities

A letter from the General Secretary citing the example of Glas Cymru (Welsh Water) as an alternative model for providing utilities was published in The Independent. Since 2000, Glas Cymru has been owned by its customers and run on a not-for-profit basis.

NUS Conference

The Co-operative Party held its first fringe meeting at the NUS conference in Brighton. The event was aimed at raising awareness of the potential of co-operative models to student activists. Claire McCarthy spoke at the event, alongside Philip Ross, the author of Co-operative UK’s report ‘Not Alone’ and a spokesperson from Students for Co-operation.

Promoting the work of the co-operative movement

The Party continues to highlight the work of our subscribing societies and the wider movement as living examples of what is possible, in particular championing the co-operative movement’s leadership in adopting the Fair Tax Mark.

The Party promoted the work of some of the retail societies in tackling loneliness, including the Co-operative Group’s campaign with the British Red

Cross and the East of England’s ‘Co-op Cuppa’ campaign.

The Co-operative Party Parliamentary Group was briefed on action taken by the Co-operative Group to reduce the cost of funerals and tackle funeral poverty.

German models of co-operative banking and community owned energy

A delegation of Co-operative MPs and Councillors undertook a two-day study visit to Berlin to understand more about German models of local and co-operative banking and community owned energy production. The group included Jim McMahon MP, the Shadow Local Government Minister; Jonathan Reynolds MP, the Shadow City Minister; and Anna Turley MP, member of the Business Select Committee. Several Co-operative Councillors were also part of the delegation.

A series of short films were produced from the material gathered on the trip and the learning will be used to inform Co-operative Party policy and campaigning in the year ahead. The Co-operative Party is grateful for the support of Frederick Ebert Stiftung (www.feslondon.org.uk) for the organisation of the trip.

Labour Party Conference, Liverpool 2016

Gareth Thomas MP, chair of the Co-operative Party’s NEC, gave the fraternal greetings address to Labour Party Conference in September.

The Party held a series of well attended and high profile fringe meetings at the event, including:

Can devolution deliver more co-ops and social enterprises?

With Jim McMahon MP, Cllr Tudor Evans (leader, Plymouth Labour Group), Paul Monaghan (Co-operative Energy), Anna Round (IPPR North) and chaired by Emma Hoddinott (Local Government Officer, Co-operative Party)

Fair tax, the new fairtrade: how can Labour lead the agenda?

With Meg Hillier MP, Professor Richard Murphy (City University, London), Paul Monaghan (Fair Tax), Cllr Matt Strong (Manchester City Council) and chaired by Claire McCarthy.

After Volkswagen and BHS: what does a responsible business look like?

In partnership with Labour Business – with Bill Esterson MP, Ed Mayo (Co-operatives UK), Mark Goyder (Tomorrow's Company), chaired by Jane Dudman (The Guardian).

Co-operative Party Councillors' breakfast

A roundtable discussion for Co-operative Party councillors chaired by the Local Government Officer, Emma Hoddinott.

The Party hosted our annual reception, jointly with the train driver's union ASLEF, on the Monday night of conference and were pleased to welcome newly re-elected Labour Leader, the Rt. Hon. Jeremy Corbyn MP as speaker at this key networking event.

Durham Miner's Gala and the Tolpuddle Festival

For the first time in the Party's 99-year history, the Party held stalls at the Durham Miner's Gala and the Tolpuddle Festival, with party activists in Durham and Dorset doing a fantastic job at both events.

The Co-operative Party's Centenary Year

The Co-operative Party's Centenary Year is a welcome opportunity to promote the work of the Party and the potential of the co-operative model. A Centenary Committee, chaired by Dame Pauline Green, is overseeing a range of activities and events planned across the UK to publicise the Party including :

- a marching banner to commemorate 100 years of the Co-operative Party, to be used at events across the country.
- an exhibition on the Party's history.
- a Centenary coffee table book.
- digitisation of key documents and items from the Party's considerable archive and making them accessible to all.
- an oral history project interviewing some of our valued co-operators on their association with the movement.
- a special commemorative Annual Conference held during the weekend of 13-15 October 2017.

Gareth Thomas MP
bringing fraternal
greetings to Labour Party
Annual Conference in
Liverpool



Support the election of co-operators

at all levels of government

In Westminster

Tracy Brabin was elected as Labour & Co-operative MP for Batley and Spen at the by-election triggered by the murder of Jo Cox MP. The NEC, at their June meeting, invited Christina Rees (MP for Neath), Lord Hunt of Kings Heath, Lord Monks of Blackley and Baroness Royall of Blaisdon to join the Labour & Co-operative Parliamentary Group. This brings the total of Lab & Co-op MPs to 27 and Peers to 20.

Labour & Co-operative Members of Parliament (as at 31st December 2016)

Jon Ashworth MP (Leicester South)	Seema Malhotra MP (Feltham and Heston)
Adrian Bailey MP (West Bromwich West)	Rachael Maskell MP (York Central)
Tracy Brabin MP (Batley and Spen)	Jim McMahon MP (Oldham West & Royton)
Luciana Berger MP (Liverpool Wavertree)	Kate Osamor MP (Edmonton)
Dr Stella Creasy MP (Walthamstow)	Lucy Powell MP (Manchester Central)
Geraint Davies MP (Swansea West)	Steve Reed MP (Croydon North)
Stephen Doughty MP (Cardiff South & Penarth)	Christiana Rees MP (Neath)
Louise Ellman MP (Liverpool Riverside)	Jonathan Reynolds MP (Stalybridge and Hyde)
Chris Evans MP (Islwyn)	Barry Sheerman MP (Huddersfield)
Mike Gapes MP (Ilford South)	Gavin Shuker MP (Luton South)
Mark Hendrick MP (Preston)	Gareth Thomas MP (Harrow West)
Meg Hillier MP (Hackney South & Shoreditch)	Stephen Twigg MP (Liverpool West Derby)
Chris Leslie MP (Nottingham East)	Anna Turley MP (Redcar)
	John Woodcock MP (Barrow and Furness)

Labour & Co-operative Members of the House of Lords

Lord Bassam of Brighton	Lord Monks
Lord Davies of Coity	Lord Moonie
Lord Foulkes of Cumnock	Baroness Nicol*
Lord Graham of Edmonton*	Lord Patel of Bradford
Baroness Hayter of Kentish Town	Baroness Royall of Blaisdon
Lord Hunt of Kings Heath	Baroness Smith of Basildon
Lord Kennedy of Southwark	Baroness Thornton
Lord Knight of Weymouth	Lord Thomas of Macclesfield CBE*
Lord McAvoy	Lord Tomlinson of Walsall
Lord McFall of Alcluth	Lord Touhig

* on leave of absence

In Scotland

The Scottish Co-operative Party was successful in increasing the number of co-operators elected to the Scottish Parliament in May. Following the election, there were 8 MSPs. The Party's group now represents one third of the membership of the Scottish Parliamentary Labour Party. The MSPs Group met regularly at Holyrood, electing Johann Lamont as its Chair with Claudia Beamish as the Vice-Chair. Following these elections, Labour & Co-operative MSP Ken Macintosh was elected as Parliament's Presiding Officer.

Members of the Scottish Parliamentary Group

Claudia Beamish MSP (South of Scotland)	James Kelly MSP (Glasgow)
Neil Bibby MSP (West Scotland)	Johann Lamont MSP (Glasgow)
Kezia Dugdale MSP (Lothian)	Ken Macintosh MSP (West Scotland)
Rhoda Grant MSP (Highlands & Islands)	David Stewart MSP (Highlands & Islands)

In Wales

In the elections in May, eleven Labour & Co-operative AMs were elected to the National Assembly. This is the largest Group since the Assembly was created in 1999. The election also marked the retirement of three members of the Co-operative Assembly Group – Christine Chapman, Sandy Mewies and Huw Lewis. Christine and Huw both served from the first Assembly election in 1999, and Huw Lewis drove significant co-operative policy and legislative change as Minister for Housing and then for Education.

Members of the Welsh Assembly

Mick Antoniw AM (Pontypridd)	Huw Irranca-Davies (Ogmore)
Alun Davies AM (Blaenau Gwent)	Ann Jones AM (Vale of Clwyd)
Rebecca Evans AM (Gower)	Jeremy Miles AM (Neath)
Vaughan Gething AM (Cardiff South & Penarth)	Lynne Neagle AM (Torfaen)
John Griffiths AM (Newport East)	Rhianon Passmore AM (Islwyn)
	Lee Waters AM (Llanelli)

In Local Government

The London Assembly

In London 5 of the 6 existing Assembly Members were re-elected, with Joanne McCartney made Deputy Mayor. Of the other 7 AMs either re-elected or elected for the first time, 6 are members of the Co-operative Party.

Members of the London Assembly

Jennette Arnold OBE AM (North East)	Florence Eshalomi AM (Lambeth & Southwark),
Leonie Cooper AM (Merton & Wandsworth),	Len Duvall AM (Greenwich & Lewisham)
Tom Copley AM (London Wide)	Nicky Gavron AM (London Wide)
Unmesh Desai AM (City & East),	Onkar Sahota AM (Ealing & Hillingdon)
Andrew Dismore AM (Barnet & Camden)	Fiona Twycross AM (London Wide)

Metro Mayors

Mayor of London, Sadiq Khan MP, is a member of the Co-operative Party as is the Mayor of Salford, Paul Dennett.

Co-operative Party members selected for the regional Mayoral elections are:

- Andy Burnham MP - Greater Manchester
- Lesley Mansell - West of England
- Sue Jeffrey - Teesside
- Sion Simon - West Midlands

Police and Crime Commissioners

Three Labour & Co-operative Police and Crime Commissioners were elected: Jeff Cuthbert (Gwent), Keith Hunter (Humberside) and the Rt. Hon. Alun Michael (South Wales).

Local councils

In January Cllr Nick Forbes, Labour & Co-operative leader of Newcastle City Council was elected leader of the LGA Labour Group.

Across England, 116 Labour & Co-operative councillors were elected - out of the 162 candidates standing - to 47 different councils. The Party now has 51 more councillors than were elected in 2012, when most of these seats were last contested. 30% of those elected are women, in keeping with previous elections.

The councils where the Co-operative Party had most councillors elected were Stevenage, with 10; Bristol, Ipswich and North Herts with 6; and Peterborough and Sunderland with 5 each.

The Party Councils with the most successful candidates were North West North with 18; Herts & Beds with 16; Manchester & District with 13; and East of England with 11.

Working with the new South West Peninsular Party Council, the Party provided extra support to the campaign to re-elect the Labour & Co-operative Council in Plymouth. An organiser was recruited to support the campaign and Party staff visited Plymouth to see first-hand some of the co-operative developments the Council has championed and to do some canvassing. The Co-operative Party's efforts were much appreciated by the Plymouth Labour team. Unfortunately, the Conservatives and UKIP have joined forces to take control of the Council.

Be valued by all members

including subscribing societies

Co-operative Societies

Representatives from the Party's subscribing Societies and Party staff meet twice a year to address issues of mutual interest. The Party continues to improve our communication with Subscribing Societies and provides monthly updates on Party activity for Board members and senior staff.

The Party was represented at the National Retail Co-operative Conference, the MidCounties AGM, a number of the Central England Co-operative Society AGM events, the East of England AGM and the Co-operative Group AGM.

Cross-Party dinner with MPs and Peers

The Co-operative Party hosted a dinner in Westminster bringing together a cross-Party group of MPs and Peers with representatives from the Co-op retail sector. Topics discussed included the Fair Tax Mark, the impact of the digital revolution, the cost of doing business including business rates and local sourcing. This will be just one of a series of events aimed at informing decision-makers about the work of the co-operative movement.

Fairtrade fortnight

Fairtrade Fortnight continues to be an important part of the co-operative movement calendar. Co-operative Party Councils and Branches held events welcoming members from co-operative societies. The Party supported the Fairtrade Foundation's breakfast event at Parliament and promoted other activities organised by Party Councils and Branches. We encouraged individual members to get involved in a light-hearted way based on the Fairtrade

Foundation's theme of Big Breakfast by making muffins made from Fairtrade only ingredients and sharing the results on social media.

Co-operative Ways Forward 4

The Co-operative Party was one of the sponsors of the 2016 Ways Forward Conference. The Party had an exhibition stand at the event and the General Secretary spoke in a workshop on the potential for co-operative housing. This afforded us the opportunity to network with co-operators from across the movement and highlight the work of the Party.

Shadow Chancellor John McDonnell MP, was a keynote speaker at the event and reiterated his commitment to work with the Co-operative Party to put co-operative ideas at the heart of his policy agenda. His speech was very well received by those in the hall.

National Apprenticeships Week

During March's National Apprenticeships Week, the Party promoted the Co-operative Group report "Ways to Work for Young People", which highlights the increasing importance of apprenticeships in the further education and training of young people in Britain. Gavin Shuker MP said:

"In my hometown of Luton we had 1,730 apprenticeship scheme starts in 2014/15 which shows how crucial these schemes are to our local young people's employment prospects. The Co-operative Group is doing important work in bringing the opinions and voices of young people into this conversation, and our most effective schemes directly serve this group, who are seeking out these opportunities now more than ever."

Co-operatives Fortnight

The Party nationally and locally actively engaged in Co-ops Fortnight. This is a flavour of the kind of events that took place:

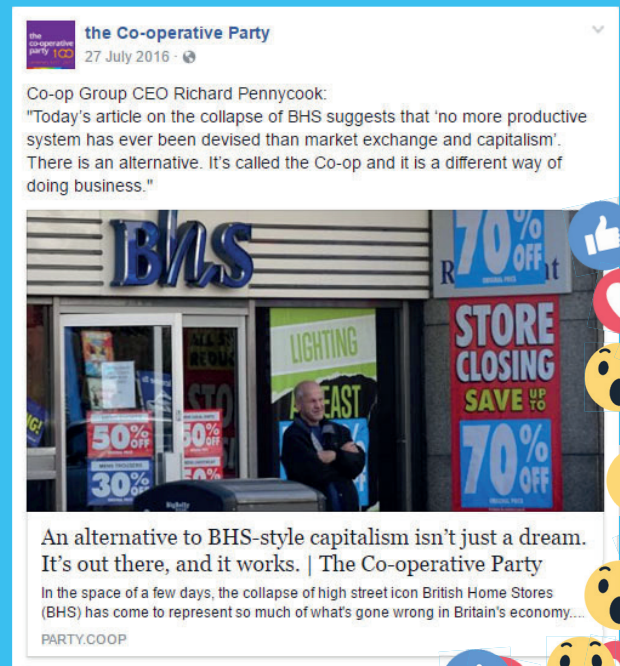
- A stall at Co-operative Congress in Wakefield.
- A live online 'policy clinic' with Policy Officer James Scott for members to pitch ideas and ask questions on policy matters.
- The Islington branch held a policy forum.
- Hertfordshire and Bedfordshire Party Council Co-ops Fortnight BBQ - celebrating the International Day of Co-operatives, with a BBQ and charity raffle.
- Co-ops Fortnight Foodbank Collection : Lambeth Co-operative Party held a collection for Norwood Foodbank outside Tulse Hill Co-op.
- Co-operative Party in the Park in Wicksteed Park, Kettering.
- Chelmsford Star Co-operatives Fortnight Garden Party.
- Party members were active in Big Co-op Clean Up events across the county.

Pension Protection Fund Levy

Following Parliamentary Questions, Gavin Shuker MP wrote to the Secretary of State for Work & Pensions to highlight the unfairness being experienced by co-operative businesses in the level of their levy contributions to the Pension Protection Fund (PPF). Co-ops are being wrongly categorised as 'high risk' by the PPF.

Richard Pennycook's letter to the Times

The Co-operative Party used its substantial social media following to highlight the letter Richard Pennycook wrote in July to the Times in the wake of the BHS scandal. His letter outlining "There is an alternative. It's called the Co-op and it is a different way of doing business" reached on Facebook - 25,949 people (708 likes and 185 shares) and on Twitter - 29,612 impressions (via 71 retweets including actor Michael Sheen).



Individual Membership

We want members to be at the heart of our plans to for a more co-operative society and we're working hard to build a bigger and more active Co-operative Party.

2016 was an important year for Co-operative Party membership as it reached 10,000 for the first time – a fitting way to get our centenary celebrations underway.

We have continued to develop our programme of activities to support members to become more involved in the Party and the wider movement. A

key part of this has included our 'Be a Co-operative Councillor' sessions held across the country (see below).

We also developed the campaigning of members and local branches through our Co-operative Action Network (CAN) workshops, held where local parties have indicated this was something they wanted, with Labour & Co-operative MP, Stella Creasy. In addition, the Party held a regular training programme alongside Annual Conference. Members also played an important part in setting our policy through our policy process and helped set local priorities for increased devolution.

The Party has sought to ensure that members see more of us and value their membership. This includes the re-launch of our member magazine as 'The Pioneer', providing the Party with a regular platform to update members on our work and sitting alongside our regular online communications.

We continue to see more members involved in supporting our local branches, and our diversity networks have also been active throughout 2016 with special events held with our BAME and Women's Network. Our new LGBT+ Co-operators' network was launched at Annual Conference and is already active at Pride events. Co-operative Party Youth supported a record turnout of young people at Annual Conference.

Finally, the Party has continued to improve administration around membership, making it easier to become and stay a member. We also launched the second stage of our online portal 'My Co-operative Party', providing officers with direct access to the membership system and other new tools to support their branch.

Party Councils, Branches and Regions

Our members have been promoting the Party, selecting and then supporting Co-operative Party candidates at local, regional and national level to win seats across the UK through a range of events and activities as well as canvassing.

Membership and Party Support have provided resources, advice and support to Regional Parties, Party Councils and Branches. We have assisted in branch revival, where officers have retired and new officers have needed training and support. The merger of Central England Western Region, MidCounties West Midlands and the Coventry and Warwickshire Voluntary Party into one Central Midlands Party was welcomed.

Party Councils and Branches provide a forum for political and policy discussion. They organise events and training for members and supporters; and work to engage and support their local co-operative movement. Regional Parties, Party Councils and Branches affiliate to their local Labour Parties and delegate representatives to attend National, Regional and Constituency Labour Parties. Each local party was asked to appoint a Centenary

Officer, to whom Head Office can feed plans and help co-ordinate local approaches to the commemorative year, with a view to hold a Centenary event in every branch of the Party during 2017.

Inspiring our Members

Party activists held educational events in Torbay, Hampshire, Birmingham, Kent, Coventry, Sussex, Worcester, Cardiff, Lincoln, London, Leicester and Stoke. Members from around the country gathered to debate policy issues of relevance to the co-operative movement.

'Be a Councillor' events

The Co-operative Party is keen to increase the number of Co-operative Councillors in local government across Britain and to widen the pool of people interested in becoming Councillors.

We held a series of workshops in Birmingham, Glasgow and London for people who are interested in finding out more about what is involved and getting practical support. We are keen to encourage more people who are actively working in the co-operative movement to become Councillors.

We published a new guide on becoming a Co-operative Councillor, which can be found on our website and at Party events.

In Northern Ireland

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

The General Secretary attended the annual meeting of the British Irish Labour Forum at the Labour Party Annual Conference in Liverpool.

In December, the General Secretary visited Northern Ireland to meet with Co-operative Party members and representatives of the co-operative movement, including the Lough Neagh Eel Fisherman's Co-operative.

Co-operative Party Conference - Shared Economy: Shared Power

This year's Co-operative Party Conference took place in Cardiff over the weekend of 9-11 September. With over 350 people, it was one of the best attended in many years with keynote speeches from Mark Drakeford AM (Cabinet Secretary for Finance and Local Government in the Welsh Government), John McDonnell MP (Shadow Chancellor) and Jonathan Ashworth MP (Labour & Co-operative member of the Shadow Cabinet). Stephen Kinnock MP addressed our annual conference dinner.

We were pleased that so many organisations from the co-operative movement took part in conference, including Merthyr Valleys Homes, Wales Co-operative Centre, Co-operative Energy, the Phone Co-op, Co-operatives UK, the Confederation of Co-operative Housing, ABCUL, NFPC, the Co-operative Councils Innovation Network and the Plunkett Foundation.

Speeches and debates

Building a shared economy

With Seema Malhotra MP, Olivia Bailey (Fabian Society), Paul Monaghan (Fair Tax) and Jennifer Tankard (Responsible Finance)

Secure and confident communities

With Nic Bliss (CCH), Peter Couchman (Plunkett Foundation), Mike Owen (Merthyr Valleys Homes) and Peter Holbrook (SEUK)

Creating a more equal society

With Johann Lamont MSP, Derek Walker (Wales Co-operative Centre) and Andrew Pakes (co-operative school governor)

Co-operation in local government

With Mark Drakeford AM, Cllr Matt Brown (Preston), Cllr Sharon Taylor (Stevenage) and Cllr Debbie Wilcox (Newport).

Campaigning co-operatives

Ed Mayo (Co-operatives UK), Nick Crofts (the Co-operative Group), Sally Chicken (East of England Co-operative Society) and Vivian Woodell (the Phone Co-op)

Fringes

Where next for Community Energy?

With Co-operative Energy.

Wales: A co-operative nation

With Wales Co-operative Centre and the Co-operative Party Welsh Assembly Group.

Co-operative local leadership

What is it, and how do we deliver it? With Co-operative Councils Innovation Network.

Councils & credit unions

The mutual benefits of co-operation with Association of British Credit Unions (ABCUL)

The future for co-operative social care

With Co-operatives Yorkshire and Humber

The economics of co-operative now

With the National Association of Progressive Co-operators

Training

- Co-operative Party campaigns
- More effective communications with our members and community
- Building more active local Co-operative Parties
- Co-operative Party Centenary: local events for 2017
- Working closer as part of the co-operative movement
- My Co-operative Party: online membership system and support site
- Co-operative Party Youth
- Standing for the Co-operative Party NEC

Make the party financially sustainable

by diversifying funding and growing membership

Keep It Co-op Again

The campaign to maintain the subscription from the Co-operative Group had the welcome effect of raising the profile of the Party and engaging many more people in what we do and our priorities and values. We shared video messages of support from the Rt Hon. Jeremy Corbyn MP, Tom Watson MP and Stella Creasy MP. We were supported in the campaign by organisations across the Labour movement, including, amongst others, the Fabians and trade unions including ASLEF, Community, CWU, NACO Unite and USDAW.

Party staff and supportive members joined together in Manchester at the Co-operative Group's AGM to highlight the need to 'Keep It Co-op Again' by voting to continue its subscription to the Co-operative Party. We were delighted that the Group's motion 12 was passed 78% for, 22% against. The Twitter and Facebook campaigns reached out to more people than ever, with more than 400,000 views of the campaign films.

Existing subscribing societies

During the first half of 2016 we worked with our existing subscribing societies to maintain their membership of the Party.

The Party has been working for some time to encourage subscribing societies to pay their subscriptions earlier on in the year or where possible to move to a forward-looking approach where votes on subscriptions and payments are made ahead of the start of the financial year. The Party is very grateful to East of England Society who have adopted this approach and are now paying part of their subscription a year ahead.

New subscribing societies

The Party's NEC accepted applications from United Cabbies Group, a taxi drivers' co-operative based in London; Revolver, Grafton Crescent Housing Co-operative Society from Liverpool - a housing co-operative, and Community Trade Union to become a subscribing Societies of the Co-operative Party.

Growing individual membership

The Party originally set a target of reaching 10,000 individual members during 2017. This figure was surpassed in November 2016, so we are now working towards a new stretching target for our Centenary year.

Increasing individual membership continues to be the best and most reliable source of income for the Party. At 20%, the percentage of income raised from individual members remains high in comparison with the major Parties. Based on recent experience of what is most effective, the Party is focusing additional effort and resources on recruitment via social media and through a presence at labour movement and co-operative events. The most successful recruitment activities included:

- **Encouragement**, via email, of supporters to become full members
- **Investment** in social media paid advertising
- **Incentives** including a discounted 'promotional' membership rate during Co-operatives Fortnight and a free place at Conference for those who joined in August and September
- **Attendance** at large events including Labour Party regional conferences, sponsorship of events within the co-operative movement, NUS Conference, the Durham Gala and the Tolpuddle Festival with 5,000 membership forms distributed;
- **Support** for local parties to organise recruitment drives in their areas

	2016	2015	2014
Brussels	13	11	11
East Midlands	790	651	642
Eastern Regional	891	810	812
London	2,002	1,653	1,563
Central Register	32	21	38
North East & North Cumbria	474	398	360
North West	1,275	1,026	941
Northern Ireland	60	47	40
Scotland	709	664	610
South East	1,090	872	809
South West	790	635	582
Wales	525	439	405
West Midlands	733	616	571
Yorkshire & the Humber	743	617	552
Total	10,127	8,460	7,936
Change	1,667	524	11
	19.7%	6.6%	0.1%

Other fundraising activities

Affinity schemes and partnerships

We are continuing to develop our 'offer' to members including new discounts and partnerships. We have affinity schemes with the Phone Co-op and Co-op Energy as well as promoting use of the Phone Co-op, Co-op Energy, Co-op News, Co-op College and the Co-op Credit Union to our members.

Launch of 2017 and 100-clubs

Asking our individual members who can pay a little more than their standard membership fee has created a new stream of income for the Party. At the end of 2016, we launched two new fundraising clubs:

Co-operative Party 1917 Club

Members who opt in to the 'Co-operative Party 1917 Club' will pay £19.17 per month or £230 per year.

Co-operative Party 100 Club

Members who opt in to the 'Co-operative Party 100 Club' will pay £8.33 per month or £100 per year.

Membership

Members of the Party in 2016 included 10,127 individual members, and fourteen societies and affiliates:

Central England Co-operative	Co-operatives UK
Chelmsford Star Co-operative	East of England Co-operative
Community Union	Enabled Works
Glenhall Housing	The Midcounties Co-operative
Grafton Housing Co-operative Ltd	Revolver
The Co-operative Group	Scottish Midland Co-operative
Co-operative Press	United Cabbies Group

Operations & governance

National Executive Committee (NEC)

The NEC is elected every three years. The current members were elected in 2014 (* indicates exceptions to this) to serve until June 2017. New rules for that election introduced one member one vote (OMOV) for the English regional seats, Scotland & Northern Ireland and Wales. Two seats are elected by and from independent societies and two seats are nominated by the Co-operative Group. There is also one Youth representative, also elected by OMOV and two representatives of the Co-operative Parliamentary Group. At the AGM of the NEC, Gareth Thomas MP was re-elected Chair, with Cheryl Barrott as Vice Chair. The NEC held several meetings and phone conferences during the year, including two full weekend strategy meetings in July and November.

Region	Name	Sub Committee
East	Chris Herries (Vice-chair until June 2016)	P, S
East Midlands	Clare Neill	A, NPF
London	Gareth Thomas MP (Chair)	P,
North East & Cumbrian	Sarah Gill	D
North West	Gary Booth*	R
Scotland & Northern Ireland	Jim Lee	S
South East	Lis Telcs	D, CAC
South West	Paul Bull	A, D
West Midlands	Elaine Kidney	
Wales	Rt. Hon. Alun Michael	P, D, R
Yorks & Humber	Cheryl Barrott (Vice Chair from June 2016)	P, S, R, NPF
Youth	Katie Corrigan	P
Independent Societies	Ian Miller	P, A
	Jean Nunn-Price*	
Co-operatives UK	John Anderson (until September 2016)	A
The Co-operative Group	Jenny Barnes	S, R
	Vacancy	
Westminster Parliamentary Group	Gavin Shuker MP	P
	Anna Turley MP	

Key to Committee memberships:

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

Conference Arrangements Committee (CAC)

2015/16	2016/17
Richard Bickle	Richard Bickle
Sabiha Shahzad	Sabiha Shahzad
Peter Smith	Peter Smith
Teresa Vaughan	Teresa Vaughan

The Youth Committee

The Youth Committee was re-elected for 2-year period in August 2015, as follows:

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

Party staff

The Party was pleased to welcome two new members of staff in 2016 - Policy Officer, James Scott and Local Government Officer, Emma Hoddinott.

General Secretary	Claire McCarthy
Deputy General Secretary	Karen Wilkie
National Political & Policy Manager	Joe Fortune
Digital & Communications Officer	Ben West
Political Officer (Scotland)	Richard McCready
Membership Officer	Shane Brogan
Membership	John Boyle
Local Government Officer	Emma Hoddinott (from March 2016)
Policy Officer	James Scott (from April 2016)
Finance and Office Manager	Dorota Kseba
Events Co-ordinator & Executive Assistant	Issy Oozeerally
Membership Assistant	Joel Northcott

We were also pleased to support Plymouth Party Council with the employment of local organiser Vince Barry on a 3-month contract in advance of the local elections.

Annual Conference 2017

To mark the 100th year of the founding of the Co-operative Party on 17 October 1917, the Party's Annual Conference will be held in London on 13 to 15th October 2017. The Party's AGM will take place on Friday 13th October in Methodist Central Hall, Parliament Square, Westminster. Annual Conference will be held at the Grange Tower Bridge Hotel, Prescott St, London E1 8GP on Saturday 14th and Sunday 15th October.

Fair Tax Mark

The Party has been awarded the Fair Tax Mark, the first political party in the country to do so. We were proud to be the latest co-operative in Britain to be part of this growing movement.

Compliance

As both a political Party and a registered Co-operative Society, the Party has to comply with the Political Parties, Registration and Referendums Act 2000 and the Co-operative and Community Benefit Societies Act 2014, reporting to both the Electoral Commission and the Financial Conduct Authority. The Party was proud to maintain its accreditation as a Living Wage Employer in 2016.

Board report & financial review

Financial Review

The NEC budgeted for a surplus in 2016, allowing for funds to be carried forward. The actual surplus at the year-end was £75,279, against a budgeted surplus of £44,251.

Income from subscribing societies was higher than in 2015, with four new organisations joining. Individual membership income increased by over 12%.

Annual Conference income also increased. This was lower in 2015 following the late change to a new date and location and uncertainty earlier in that year over local parties' finances.

Expenditure was lower than in 2015, when the NEC budgeted for a deficit to fund the 'Keep it Co-op' campaign.

Tax Policy

In 2016 the Party continued to support the Fair Tax Mark Campaign.

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

This is not the case when it comes to investment income. Since any such income would if received by

the Party members be considered taxable so it is in the case of the Party itself. Therefore, tax liabilities have been reported in the Party's accounts in the past.

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

Membership

Members of the Co-operative Party in 2016 included 10,127 individual members, thirty-three local Parties and fourteen societies and affiliates:

Central England Co-operative

Chelmsford Star Co-operative

Community Union

Glenhall Housing

Grafton Housing Co-operative Ltd

The Co-operative Group

Co-operative Press

Co-operatives UK

East of England Co-operative

Enabled Works

The Midcounties Co-operative

Revolver

Scottish Midland Co-operative

United Cabbies Group

Chelmsford Star Co-operative did not pay a national subscription in 2016 but continued to support the local Co-operative Party.

Statement of Responsibilities of the Board

The Board are responsible for preparing the financial statements of Co-operative Party Limited in accordance with applicable law and regulations. The Board is required to prepare financial statements for each financial year and has elected to prepare the financial statements in accordance with UK Accounting Standards.

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

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

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

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

Corporate Governance

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

The process used by the NEC to review the effectiveness of the system of internal control includes the following:

- A full risk assessment has been carried out to identify and evaluate the risks faced by the Party.
- Procedures have been established to regularly identify, evaluate and to manage significant risk.
- The Audit Committee reviews the effectiveness of the risk management process.
- Considering reports from management and external audit on the system of internal control and any material control weaknesses.
- The Chair of the Audit Committee reports on all Audit Committee meetings to the NEC.

In 2010 the Board agreed to adopt the Co-operatives UK Corporate Governance Code of Best Practice, subject to amendments that are consistent with the nature of the organisation. These amendments relate to Board size, frequency of meetings and length of term of Board members.

Internal Control

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

- Monthly and annual accounts
- Reports of External Auditors

The Audit Committee also reviews steps taken in response to significant findings or identified risks. The system of internal financial controls is designed to provide reasonable but not absolute assurances regarding:

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

However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. Key procedures that have been established and are designed to provide effective internal financial control are:

Control Environment

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

Risk Identification

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

Control Procedures

The Party has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the potential exposure to loss of assets or fraud. Measures taken include some physical controls, some segregation of duties and external audit to the extent necessary to arrive at their audit opinions. In 2014 the Finance Handbook was amended and expanded to meet the changes from bringing the accounts in house. This will be reviewed and updated in 2017.

In 2016 the Audit Committee reviewed the re-appointment of an Internal Auditor and agreed to subscribe instead to the PQASSO system from 2017, working towards the PQASSO Quality Mark in future years.

Information and Communication

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

Monitoring

There are procedures in place for monitoring the system of internal financial controls. The Audit Committee meets at least twice a year and, within its remit, reviews the effectiveness of the Party's internal financial controls. Audit reports are issued to the appropriate level of management containing

recommendations to improve controls where weaknesses are found, together with management's response.

Disclosure of information to auditors

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

Auditors

Crowe Clark Whitehill LLP have been the Party's Auditors from the financial year 2011. In line with best practice, the NEC reviewed this in 2016 but agreed to recommend retaining Crowe Clark Whitehill LLP and not re-tendering for the Party's External Auditor for a further two years. This was ratified at the AGM in 2016.

Going Concern

The Board have prepared forecasts for the period to 31 December 2017, which indicate that the Society has sufficient committed subscription income and financial resources to enable it to meet its obligations as they fall due. Consequently, 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 36-46 are hereby signed on behalf of the National Executive Committee.



Claire McCarthy
General Secretary

Independent auditor's report to the members of Co-operative Party Limited

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 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows and the related notes numbered 1 to 19.

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

This report is made solely to the Society's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board and Auditors

As explained more fully in the Statement of Board's Responsibilities, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an

opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2016 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

Matters on which we are required to report by exception

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

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

Crowe Clark Whitehill LLP

Statutory Auditor

The Lexicon, Mount Street, Manchester, M2 5NT

Date: 5 March 2017

Financial reports

Income and expenditure 2016

Income and Expenditure Account Year ended 31 December 2016

	Note	2016		2015	
		£	£	£	£
Society Subscriptions	1	773,571		771,016	
Individual members	5	216,638		193,118	
Other Donations	2	6,153		5,535	
Conference Income		28,487		25,471	
Other Income	3	26,799		17,304	
Constituency Plan Agreements	6	10,530		16,605	
Total Income			1,062,178		1,029,049
Expenditure					
Salaries & salary related costs	3,4	477,541		506,700	
Occupancy costs		49,298		49,739	
Travel		44,796		33,452	
Events		50,831		71,862	
Communications		60,709		47,711	
Printing, publications and stationery		17,539		17,290	
IT & technical		20,650		18,037	
Professional fees		15,426		14,877	
Consultancy, Delivery & Research		2,890		75,898	
Bank Charges		10,295		6,799	
Grants & Donations		166,579		160,250	
Membership fees payable to local parties	5	33,840		28,304	
Depreciation & Write offs		7,152		7,271	
Miscellaneous		(143)		-	
Bad debt provision		(2,800)		(2,364)	
CPA	6	31,616		51,572	
			986,219		1,087,398
Surplus/ (Deficit) from Party activities before interest and taxation			75,959		(58,350)
Interest			1,107		375
Finance costs	12		(1,566)		
Surplus/ (Deficit) from Party activities before taxation			75,500		(57,975)
Corporation tax	7		(221)		(75)
Surplus/ (Deficit) for the year	13		75,279		(58,050)

The above relates entirely to continuing operations. There were no recognised gains or losses for 2016 or 2015 other than those included in the income and expenditure account. The notes on pages 45 – 53 form part of these financial statements.

Balance sheet

As at 31 December 2016

	Note	2016		2015	
		£	£	£	£
Fixed Assets					
Tangible Fixed Assets	8		5,225		12,377
Current Assets					
Debtors	10	24,050		45,497	
Investments	9, 18	25,757		25,375	
Cash in hand		605,510		500,807	
			<u>655,317</u>		<u>571,679</u>
Creditors					
Amounts falling due within one year	11	<u>(108,281)</u>		<u>(95,111)</u>	
Net Current Assets			547,036		476,568
Total assets less current liabilities			552,261		488,945
Post-employment benefits	12		(21,164)		(33,127)
Net assets			<u>531,097</u>		<u>455,818</u>
Financed by Reserves					
Revenue	13		<u>531,097</u>		<u>455,818</u>
			<u>531,097</u>		<u>455,818</u>

The notes on pages 39 to 46 form part of these financial statements

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

The financial statements on pages 39 - 46 were approved and authorised for issue by the National Executive Committee on 5th March 2017 and signed on its behalf by:

Cheryl Barrott

Jim Lee

Cash flow Statement Year ended 31 December 2016

	Note	2016 £	2015 £
Net cash inflow from operating activities	17	104,053	39,928
Returns on investments and servicing of finance		725	-
Credit balance			
Taxation			
Corporation tax	7	(75)	-
Increase in cash		<u>104,703</u>	<u>104,703</u>
Reconciliation of net cash flow to movement in net funds	19		
Net funds at 1 January		500,807	460,879
Increase/(decrease) in cash		460,879	39,928
Net funds at 31 December		<u>605,510</u>	<u>500,807</u>

The notes on pages 39 – 46 form part of these financial statements

Notes to the Financial Statements

Statement of Accounting Policies

Basis of Accounting

The financial statements reflect the transactions of the national organisation of the Co-operative Party. The transactions of local Party organisations and of the political activities of individual Co-operative Parties, 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 2017 which indicate that the Party has sufficient committed subscription income and financial resources to enable it to meet its obligations as they fall due. Therefore, 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.

Debtors

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

Cash and Cash equivalents

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

Creditors

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

Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including

loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date. Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Corporation and Deferred Taxation

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

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

The result is that much of the activity of the Party is outside the scope of corporation tax. This is not the case when it comes to investment income. Since any such income would if received by the Party members be considered taxable so it is in the case of the Party itself.

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

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

Pensions

Staff may join the Co-operative Group's (PACE) defined contribution pension scheme. The employer contributes 2%, 3%, 5%, 8% or 10% of gross pensionable salary (according to the contribution made by the employee).

Operating leases

Rentals under operating leases are charged to the Profit and Loss account on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Impairment of debtors

The Party makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 10 for the net carrying amount of the debtors and associated impairment provision.

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

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

Income

1. Society Subscriptions

	2016	2015
Society	£	£
Central England	74,480	74,483
Chelmsford Star	-	4,041
Community Union	6,250	-
East of England	23,000	23,000
Midcounties	30,000	30,000
Scottish Midland	13,791	13,792
The Co-operative Group	625,600	625,600
Other	450	100
Total Subscriptions	<u>773,571</u>	<u>771,016</u>

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

2. Other Donations

	2016	2015
	£	£
Donations from individual members & other organisations	<u>6,153</u>	<u>5,535</u>
	<u>6,153</u>	<u>5,535</u>

Expenditure

3. Employees

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

2016		2015	
Full time	Part time	Full time	Part time
7	6	7	4

The Party also employed temporary staff on behalf of Members of the Co-operative Parliamentary Group and local Parties

Reimbursement to the party in respect of employment costs for such employees is included in 'other income' in Income and Expenditure.

	£	£
Wages and salaries	405,152	388,263
Social security costs	47,246	45,545
Pension contributions	20,377	62,566
Non-Salary benefits	4,766	4,759
Temporary Staff & Recruitment	<u>5,567</u>	<u>5,567</u>
	<u>477,541</u>	<u>506,700</u>

4. Employees (continued)

Senior Management remuneration

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

	2016	2015
	£	£
Salaries	137,628	182,759
Pension Contributions	12,259	22,515
	<u>149,887</u>	<u>205,274</u>

The Senior Management Team reduced from three to two from October 2015.

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

	2016	2015
	£	£
Salary	70,000	70,622
Pension Contributions	5,600	6,892
	<u>75,600</u>	<u>77,514</u>

5. Membership fees payable to local parties

Of the annual individual member subscription £4 per every paid-up member is forwarded to Party Councils. The individual member income is presented gross before the payment to Party Councils.

6. Constituency Plan Agreements

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

7. Taxation

	2016	2015
	£	£
Corporation tax	<u>221</u>	<u>75</u>

8. Tangible Fixed Assets

	Fixtures, Fittings & Equipment 2016	Fixtures, Fittings & Equipment 2015
	£	£
Cost		
1 January	71,912	85,051
Additions		
Disposals	-	(13,139)
31 December	<u>71,912</u>	<u>71,912</u>
Depreciation		
1 January	59,535	65,403
Charge for year	7,152	6,825
Disposals	-	(12,693)
31 December	<u>66,687</u>	<u>59,535</u>
Net Book Value		
1 January	12,377	19,648
31 December	<u>5,225</u>	<u>12,377</u>

9. Fixed Asset Investment

	2016	2015
	£	£
Capital value		
At 1 January 2016	25,375	25,000
Disposal	(25,375)	(25,000)
Shares reinvested	25,375	25,000
Interest reinvested	382	375
At 31 December 2016	<u>25,757</u>	<u>25,375</u>

Investments relate to shares in The Co-operative Group - see note 16

10. Debtors

	2016	2015
	£	£
Trade Debtors	6,133	29,878
Prepayments and accrued income	16,625	13,357
Other Debtors	1,292	2,262
	<u>24,050</u>	<u>45,497</u>

Debtors are shown net of a provision for bad debts of £Nil (2015 - £2,800).

11. Creditors

	2016	2015
	£	£
Trade Creditors	1,278	8,342
Taxation and Social security	11,767	9,918
Corporation tax	221	75
Accruals and deferred income	94,849	74,887
VAT Payable	166	1,889
	<u>108,281</u>	<u>95,111</u>

12. Post-employment benefits

	2016	2015
	£	£
Balance at 1 January	33,127	-
Additional funding charge	-	33,127
Adjustment to brought forward balance	(6,591)	
Contributions	(6,938)	-
Unwinding of Discount	1,566	-
Balance at 31 December 2016	<u>21,164</u>	<u>33,127</u>

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

The multi-employer scheme is currently in deficit and during the year the Party has agreed to participate in a funding plan to reduce the deficit. A liability of £26,189 (2015: £33,127) has been recognised, representing the present value of the additional contributions payable between 2016 and 2019, with the resulting expense recognised in the income and expenditure account.

13. Reserves

	2016	2015
	£	£
Revenue reserve		
Balance at 1 January	455,818	513,868
Surplus/(Deficit) for the year	75,279	(58,050)
Balance at 31 December	<u>531,097</u>	<u>455,818</u>

14. Operating Lease Commitments

At 31 December 2016, the Party had commitments under non-cancellable operating leases as follows:

	Land and Buildings 2016	Land and Buildings 2015
	£	£
Lease payments due:		
Within one year	24,300	24,300
Between 2 and 5 years	42,525	18,225
	<u>66,825</u>	<u>42,525</u>

15. 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 2016 were £ 1,076 (2015 - £ 5,728). This figure is lower because most bookings in 2016 were made by Head Office. Certain directors of the board are also members of the boards or governing committees of other bodies in the Co-operative Movement (see note 16). Information regarding transactions between the Party and such bodies is given in note 1.

16. Related Parties

The Co-operative Group

At 31 December 2016, Co-operative Party Limited held shares amounting to £25,756 (2015 - £25,375) in the Co-operative Group.

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

17. Reconciliation of surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2016	2015
	£	£
Surplus/deficit for the year before interest	75,959	(58,350)
Depreciation charge	7,152	6,826
Loss on disposal of fixed assets	-	445
Decrease in debtors	21,447	14,866
Increase in creditors	6,433	76,141
Decrease in pension liability	(6,938)	-
Net cash inflow from operating activities	104,053	39,928

18. Returns on Investments and servicing of finance

	2016	2015
	£	£
Interest Received	1,107	-
	1,107	-


19. Analysis of net fund

	1 January 2016	Cash Flows	31 December 2016
	£	£	£
Cash in hand	500,807	104,703	605,510
Total	500,807	104,703	605,510

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Promoted by Claire McCarthy on behalf of the Co-operative Party, both at 65 St John Street, London EC1M 4AN. Co-operative Party Limited is a registered Society under the Co-operative and Community Benefit Societies Act 2014. Registration no. 30027R