

NATIONAL ASSOCIATION OF CO-OPERATIVE OFFICIALS

ANNUAL GENERAL MEETING

Minutes of the ninetieth Annual General Meeting held at the Yew Lodge Hotel, Kegworth, on Wednesday 16th May 2007

Mark Craig, NACO President, welcomed the members to the ninetieth Annual General Meeting of the Association.

1. Apologies for absence

Apologies for absence were received from Mike Beaty, David Blackburn, Gloria Daly, Brian Emmerson, Peter Fallon, John Lawrence, Paul McCue, Martin McDonald, Maria McGettigan, Roger Myddelton, Bob Page, Joe Scullion, Mike Simpson and Norman Sturgess.

2. Minutes of the Annual General Meeting 2006

Resolved: “That the Minutes of the eighty-ninth Annual General Meeting of the National Association of Co-operative Officials held at the Yew Lodge Hotel, Kegworth, on Wednesday 17th May 2006, copies of which had been circulated previously, be approved as a true and accurate record”.

3. Matters Arising

There were no matters arising from the Minutes.

4. President’s Address

Good afternoon, colleagues and welcome to that part of today’s events which we’ve all been looking forward to – well, at least the part of the day which I understand the members of the NACO Insomniacs Constituent Association have been looking forward to - my National President’s address.

In preparing for this address I’ve been dithering about what exactly to say for a good few weeks and eventually I think my dithering finally got to my wife, Beverly, over the last weekend and she turned to me with the sort of look which I thought the Queen reserved for George Bush, and she said, ‘Why don’t you just give them the same speech you gave them last time you were President? No-one will remember what you said in 1995, so you’ll be on fairly safe ground.’

Now as you can see from the fact that my Presidential Address has been printed out on reused paper, I’m as committed to recycling as the next person, however, as it happens, I couldn’t possibly do that for two very good reasons.

Firstly, that speech was far too long – I’ve checked, it was almost 50 per cent longer than most of the Presidential addresses before or since – but more importantly, I

couldn't do that, because my year of office has, on this occasion, coincided with an historic period both for NACO and for the Co-operative Movement generally.

And it is the historic nature of the past 12 months which has helped shape what I plan to say in my address this afternoon.

Now I always knew when I took over as National President this time last year that the year ahead was going to be a momentous one for NACO because it was going to coincide with the retirement of Lindsay Ewing as our General Secretary, after almost 30 years at the top of our Union.

However, what I didn't know was exactly how far-reaching other changes were going to be in the Co-operative Movement generally and the tremendous impact that those changes might have on NACO.

For NACO, Lindsay's retirement after almost three decades of dedicated and distinguished service was always going to be historic. No-one can serve in the top job in any organisation for 30 years and then retire without it resulting in major changes to that association. And certainly no-one could serve with the distinction with which Lindsay served, without leaving an enormous hole at the heart of the Union when he retired.

And so this afternoon I want to reflect on how NACO's position has changed since the mid-1970's when Lindsay became General Secretary and what those changes tell us about the challenges we face today.

And the other thing I want to do is to reflect on the all together less predictable events of the past 12 months – the historic merger activity which has taken and is taking place. And in particular, I want to look at some of the possible implications for NACO of the proposed amalgamation of the Co-operative Group and my own Society, United Co-operatives.

But let's start with Lindsay ...

Lindsay became General Secretary Designate of NACO in November 1976 and took over as General Secretary proper, the following January.

And just to remind you first of all of how long ago that was, David Soul – of Starsky & Hutch fame – was Number 1 in the charts with 'Don't Give Up on Us'. And if you'd looked at NACO's finances when Lindsay took over you might have thought that David Soul was making a special plea to Lindsay not to give up on NACO!!

That point is emphasised even further if you glance at the Number 3 slot in the charts at that time, where you would have found Abba warbling on about – yes, you've guessed it – 'Money, Money, Money'.

Now before I go on to consider how things have changed in the period that Lindsay was our General Secretary, I just want to issue a few words of caution to our current General Secretary, Neil Buist.

Because Neil – and I hope you're listening - when Lindsay retired last year he had clocked up 29 years at the helm of the Union and when Lindsay's predecessor, Arthur Potts, retired he had done 24 years in the job.

Now I'm no mathematician, Neil, but I reckon that that means that if you keep up the noble tradition set by your two predecessors, then you are due to retire sometime between 2030 and 2042. Sounds like a life sentence, doesn't it? And if Wayne Lee has his way, there wouldn't be any time off for good behaviour either!

But back to more serious matters ...

... And quite frankly they don't get much more serious than the situation Lindsay inherited when he became General Secretary.

According to NACO's annual report and accounts for the year to December 1976, when Lindsay took over, the Union's General Fund stood at £8,753, which must have been a bit worrying for an organisation whose expenditure the previous year had exceeded its income by £13,654. By my reckoning that probably means that Lindsay and the rest of the staff of the Union should have been out of a job by mid-July, if nothing had changed, of course.

Now the important point to note isn't so much the state NACO was in when Lindsay took over as General Secretary, but rather the state it was in when he passed that role on to Neil.

Because by the time Lindsay left office in the middle of last year, he had totally transformed the Union's financial situation, so that the General Fund now stands with a balance of almost £1.2 million.

That's an impressive turn around in anyone's books and there are a few co-operative societies who would have been more than happy to have seen that sort of improvement in their performance over that period.

As members of NACO, we should all be extremely grateful to Lindsay for rescuing NACO from the brink of extinction, which quite honestly is where it was perched when he took over.

However, the point I want to draw out regarding this transformation in our fortunes is this -

Colleagues, we have only been able to achieve the impressive improvement in our funds because of the willingness of our members to consistently support the Union with rises in subscriptions which have been ahead of the rate of inflation and in many cases, have been ahead of the pay rises which we have been able to secure from societies.

And quite honestly, colleagues, I don't think that this can go on indefinitely. For some of our members – and perhaps just as importantly, for some of our potential members – the increase in subscriptions over the past few years or so, have made us an unattractive Union of which to be a member. It's all very well for us to say that

you have to pay for a quality service but for some members and potential members, that quality comes at a price they are unable or unwilling to pay.

This is clearly an issue we will return to and your General Council would welcome your views on this important matter.

The second issue I would like to look at in contrasting the position your Union is in today in comparison with that which Lindsay inherited in 1976, is that of our membership numbers and the Union's democratic structure for ensuring the representation of those members.

As members will know, NACO was created in 1969 by the coming together of three unions. Its membership at that time was around 7,000. By the time Lindsay became General Secretary in 1977, membership had already fallen to 5,461. By the end of 2006, the number had dropped to 2,136, roughly 40% of its 1976 figure and less than a third of its membership at the time of its formation.

This drop in membership reflects a huge change in the Co-operative Movement over that 30-year period. In 1976, there were well over 200 co-operative societies in the UK. Today there are about 25.

The changes in NACO's structure over the same period reflect those changes.

When Lindsay became General Secretary, we had a General Council of 29 members. Today, that number is 15.

Similarly, in 1976 NACO had eight (8) Sectional Councils and 62 Constituent Associations. Today, we have no Sectional Councils and less than 30 Constituent Associations.

What this means in practice is that over the past 30 years – and in truth probably most notably over the past 10 years or so – as the number of societies has dropped and the size of the remaining societies has become larger, NACO has struggled to adopt a structure which allows it to keep in touch with its members as effectively as it was able to do in the mid-1970's.

This growing distance between Registered Office and General Council on the one hand and the ordinary NACO member on the other hand, is further emphasised when you note that in 1977, 21 societies were represented on the General Council and today that number is only six (6).

Similarly, in 1976 NACO held 15 national seminars and conferences for different sections of the membership whereas today that number is around half a dozen.

Please don't misunderstand me. I am not criticising anyone for this position. I am merely pointing out that as the number of societies has reduced, then my General Council colleagues and I have run the risk of becoming increasingly unrepresentative of the NACO membership generally.

How we solve that problem and how we ensure that NACO remains relevant to our members is a huge issue and one I want to return to shortly.

In many ways looking back at how the Co-operative Movement has changed over the past 30 years and how NACO has adapted to that change, leads me on nicely to a consideration of the possible impact of the proposed amalgamation of United Co-operatives and the Co-operative Group.

Now I know that it's always dangerous to take things for granted in the Co-operative Movement – and I was reminded of just how dangerous only last Friday evening when I went along to a Special General Meeting of the Wooldale Co-operative Society and watched as its members threw out a proposal to merge with my own Society, United, and this despite the fact that Wooldale hasn't made a profit in the last 10 years, owes United £650,000, appears to have no plan for repaying that debt and is faced with making a loss in the current financial year. But why should I be surprised. Who said co-operative democracy was logical!

Sorry where was I ...

Oh yes ... I know you can't take anything for granted in the Co-operative Movement, but I think I'm on fairly safe ground if I say that it looks more than likely that my Society will amalgamate with the Co-operative Group later this year.

If that amalgamation proposal is approved – and a 91.5% vote in favour at the first round of meetings suggests it might – then by August this year 85% of co-operative trade will be in one Society.

And I think that it is a racing certainty that the trend towards continuing consolidation won't stop there ...

Who knows, However, I fully expect that by 2010 over 90% of co-operative business will be in one society and by 2015, it's likely to be the best part of 95%.

Leaving aside whether you think this is a good or a bad thing – and you won't be surprised to hear that from a purely business point of view, I think it is absolutely the right thing – from NACO's point of view, this has enormous implications.

Within 5 years I believe that to all intents and purpose NACO will be a single employer trade union.

I'm not sure what this will mean in practice but a couple of things are clear to me ...

A situation where – potentially at least – 85% of NACO's members work for one Society poses considerable corporate governance issues for your Union. Does NACO have the right structure to cope with such a massive change and if not, what should that structure look like?

If we are moving towards becoming effectively a single-employer trade Union, then surely this will mean that NACO's role regarding our members will change? Will

members still expect the same range of services from their trade union and will they be prepared to pay for those services?

From a registered office point of view, will the change not put even greater pressure on our ability to offer a bespoke service to all of our members, and especially to those in the few remaining independent societies?

Will it not also mean that our professional association and training and development role will virtually disappear?

Likewise, when one employer has such a massive impact on the Union, will those members who are prepared to put themselves forward to represent their colleagues, be able to find the time to carry out that function? Already I know from the pressures on current General Council members, how hard it is for people to devote the time they want to, to our activities. When the burden of such representation is largely falling on one Society, will there come a time when that Society puts a limit on the time it is willing to give its employees to carry out legitimate trade union duties?

Alternatively, will the changes give us a greater incentive to go outside the traditional retail co-operative society sector in seeking to recruit new members? And if there is that incentive, where should we look and who should provide the resources for such recruitment?

These are all enormous questions for your Union and I don't know the answer to them. However, I do know that your General Council cannot search for those answers in isolation from you and your colleagues - the members most directly affected by these changes. We need to find ways of engaging with you in the discussions about how NACO responds to the drive towards one national society and we need to start that process soon. Because make no mistake about it, that's the path we're on. We might not reach that goal for some years to come but I'm convinced we'll be pretty close to it in the next few years.

So colleagues, I said at the start of this address that I couldn't just repeat my 1995 Presidential Address because it was too long and that this year I'd be briefer. If I don't shut up soon, I'll be in danger of misleading you, so I'll now bring my remarks to a close by thanking all of those people who it is traditional to thank on these occasions.

Can I start by thanking all those who welcomed Beverly and myself to NACO events this year? Once again, as in 1995, I thoroughly enjoyed all the events I attended, either with Beverly or on my own. The Conferences were all extremely well organised, of a very high quality and very friendly and welcoming and I would like to thank all those colleagues who were involved in staging them for their commitment to the Association. Without your help there would be no such events and our Union would be the poorer for that, so thank you to you all.

And the excellent news was that unlike 1995 when I don't think I understood a single session of the pharmacists' conference, this time round I think I understood about a third of the sessions. Maybe if I'm NACO President in another 12 years time, I'll understand more than half of what's being said.

I'd also like to thank all of the staff of the Association for their help, guidance and friendship during my year of office. It's usual to be able to thank the General Secretary in particular for his assistance. In my case I can thank two General Secretaries. So thank you Neil and thank you, Lindsay.

And on that note, can I just say that when I was President in 1994 to 1995 I said that we were very fortunate to have such a dedicated team at Registered Office. Since that time, every single member of that team has changed but the dedication hasn't changed one iota and I would like to reiterate that we are very fortunate to have such excellent servants of the Union.

Can I also thank my colleagues on the General Council and particularly Roger Middleton and Roger Davies who, at very short notice on more than one occasion, have had to deputise for me at General Council and General Purposes meetings, when the pressures of work have meant that I have not been able to fulfil my obligations to the standard which I consider the Union deserves. I very much regret that fact but in having the two Rogers to step into the breach at the last minute, I am sure that my absence has only been a blessing.

And finally can I thank my Society, United Co-operatives, for its unstinting support to me in my year in office. I know that the burden of sustaining NACO is falling on a decreasing number of societies and I am grateful to those societies, such as mine, which recognises the importance of trade union activity and supports its staff in undertaking that work.

Once again it has been a privilege to serve as your National President and I thank you and my General Council colleagues for the opportunity you have given me and I wish Roger (Davies) every success in the post next year.

Thank you.

5. Presentations

Delma-Rose Yorath made a presentation of the Kevin Yorath Memorial Award to Jennie Whiteley in recognition of her exceptional service to NACO over many years, noting that Jennie had taken a leading role in organising educational sessions for her colleagues within the Human Resources function arranging for many speakers to attend as well as being the long standing Secretary of the Co-operative HR Forum.

Delma-Rose Yorath indicated that the criteria for nominations fell in to four main categories: recruitment of new members; individual representation of members; representing members' issues through collective bargaining; and support of conference/seminar/educational activities. In all of these areas, she said, Jennie Whiteley had provided excellent service to both her member colleagues and the Association as a body.

Jennie Whiteley suitably responded to the award.

The President advised the meeting that Honorary Life Membership was to be awarded to Lindsay Ewing. The award was presented to Lindsay in recognition of his unsurpassed service as General Secretary over 29 years and that, thanks to Lindsay, the National Association of Co-operative Officials was in a far better financial state now than it had been when he first started as General Secretary in 1977. The President thanked Lindsay for his service to the Association and wished him a long and happy retirement.

Lindsay Ewing suitably responded.

The President advised the meeting that Honorary Life Membership had been awarded to John Kenney. The meeting was advised that John retired from his post as Product Operations Manager in January with the Midlands Co-operative Society. John's award was in recognition of his service as an active member in the Midlands Co-operative Managers Association and was President of the Constituent Association from 1999. John had also been an active member on the General Council commencing his term in May 2001 and during his time on the General Council he had represented members through the Negotiating Team on National Agreements and had also been a member of the General Purposes Committee. The President thanked John for his service to the Association and wished him a long and happy retirement.

John Kenney suitably responded.

The President advised the meeting that a "For Service" award was to be granted to Mike Smyth. Mike joined the Co-operative Group in 1993 following his retirement from the Cheshire Police Force and was the Loss Prevention Manager at the Bromborough Warehouse in Cheshire until he left the Group in February 2007. Mike had been a member and active supporter of NACO since joining the Movement. An active member of the Loss Prevention Services Association, Mike was Chairman in 2001 and Secretary from 2002 to 2004. Mike was also a driving force on the Conference Organising Committee often using his contacts to provide speakers, exhibitors and sponsors. A strong supporter of NACO he had been very active in recruiting new members to the Association.

Mike Smyth suitably responded.

6. Annual Report & Balance Sheet

The President proceeded to examine the Annual Report & Balance Sheet and invited questions from the floor.

At the invitation of the President, Alastair McGregor took the Annual General Meeting through the Diversity Committee report for the year ending 31 December 2006 and also reported on the activity of the Diversity Committee to date in 2007

At the invitation of the President, Roger Davies spoke to the Annual General Meeting detailing the activity of the General Purposes Committee report for the year ending 31 December 2006 and also provided an update on the activity of the General Purposes Committee to date in 2007.

Roger Davies confirmed that, as a consequence of the proposed merger of the Co-operative Group and United Co-operatives, the General Purposes Committee were reviewing the NACO Rule Book to ensure a fair and equitable representation of the membership on the General Council and at future Annual General Meeting's of the Association.

With this in mind, and on behalf of the General Council, the forbearance of the Annual General Meeting was sought to enable the Association to continue to manage its affairs with the elected officers until such time as any necessary rule changes could be debated by the Annual General Meeting. The Annual General Meeting confirmed the position.

At the invitation of the President, Roger Davies spoke to the section of the report dealing with the work of the Co-operative Group Council during 2006 and also reported on the activity of the Co-operative Group Council to date in 2007.

At the invitation of the President, Alastair McGregor spoke to the section of the report dealing with the work of the Benevolent Fund Committee during 2006 and advised the meeting that thus far in 2007 three applications for assistance had been received and grants totalling £2,350 had been awarded.

At the invitation of the President, Neil Buist, General Secretary, took the Annual General Meeting through the Annual Statement of Accounts for the year ended 31 December 2006.

Following a response to questions from the floor the Annual Report & Financial Statements were formally moved and seconded and duly adopted.

7. Appointment of Tellers

On behalf of the General Council, the President nominated Stefan Szymczak and Jack Devers as tellers.

Resolved: "That Stefan Szymczak and Jack Devers be elected as tellers".

8. Appointment of Auditor

Mark Craig, President, advised the meeting that Hurst & Co Accountants LLP were nominated by the General Council to act as Auditors for the year 2007/08.

Resolved: "That Hurst & Co Accountants LLP be elected as Auditors for the ensuing 12 months".

9. Appointment of Trustees

The President advised that the General Council nominated Dame Pauline Green, Chief Executive and General Secretary of Co-operatives UK, Mr Philip Jones, Secretary of United Co-operatives and Mr Bob Burlton, Chair of the Co-operative Group to be Trustees of the Association for the year 2007/08.

It should be noted that due to his impending retirement, Martin Beaumont, Chief Executive of the Co-operative Group, had decided to step down as a Trustee of the Association. The President, on behalf of the General Council, thanked Martin Beaumont for his previous service.

Resolved: “That Messrs Philip Jones and Bob Burlton and Dame Pauline Green be appointed as Trustees for the ensuing 12 months”.

10. Appointment of Appeals Tribunal

The President advised the meeting that the General Council nominated Professor John Goodman, Mr Lloyd Wilkinson and Mrs Delma-Rose Yorath to serve on the Appeals Tribunal for 2007/08.

Resolved: “That Professor John Goodman, Mrs Delma-Rose Yorath and Mr Lloyd Wilkinson be appointed to serve on the Appeals Tribunal for the ensuing 12 months”.

11. Motions to Amend the Rules

Motion 1

Proposed by Co-operatives UK

In recognition of NACO establishing single member agreements and in order to facilitate this process, the Co-operatives UK Constituent Association proposes that the rules are amended to allow for further tiering of the subscription categories, to accommodate members whose salaries are below a certain threshold. In recognition of the need to bring together employees and bring down barriers to membership, it is proposed that this category of membership be known as Unity membership.

Proposed amendment to Rule 4(a)

The second sub-paragraph of Rule 4 (a) be deleted in its entirety and replaced with the following:

Full membership will be split into three subscription categories, one where the member works in excess of 25 hours per week, the second where the member works 25 hours per week or less, the third where the member's gross salary per annum is £ 22,500 or less, this sub category to be known as Unity membership. For those who apply for membership in the second and third categories, supporting evidence must accompany the application form e.g. letter from the Co-operative Society confirming the appropriate details.

Proposed amendment to Rule 5 (a)

The third sub-paragraph of Rule 5(a) be amended by inserting an additional line after the reference to part time membership to read:

‘Unity Membership 80%’

Speaking to the motion on behalf of the Co-operatives UK, Phil Holmes advised the Annual General Meeting that following NACO and Co-operatives UK signing a single trade union agreement in July 2006 the benefit to the staff and the organisation had been immense. In order to maximise recruitment opportunities a further recruitment category for individuals earning less than £22,500 and working in excess of 25 hours a week staff was proposed.

The motion was duly seconded and on being put to vote was carried nem.con.

Motion 2

Proposed by the General Council

Proposed Amendment to Rule 5 (a)

It is proposed that an additional sentence to be added at the end of the 1st paragraph:

“Should the subscription rates rise during any calendar year then the additional amount of subscriptions shall be requested in line with the agreement reached at the Annual General Meeting.”

Speaking to the motion on behalf of the General Council, Karen Froggatt advised the Annual General Meeting that the proposal enabled the Annual General Meeting to not only set the subscription rates for membership of the Association, but also the date on which any change would come into force.

The motion was duly seconded and on being put to the vote was carried nem.con.

Motion 3

Proposed by the General Council

Proposed Amendment to Rule 5 (b)

It is proposed that the words ‘*Bankers Order*’ at the end of rule 5 (b) are replaced by the words ‘*Direct Debit*’

On behalf of the General Council, Karen Froggatt proposed the change of wording to reflect the detail on the membership application in relation to methods of payment of annual subscription.

The motion was to be seconded and on being put to the vote was carried nem.con.

Motion 4

Composite Motion proposed by the General Council.

Where the letters 'CWS' or the words '*the Co-operative Group (CWS) Limited*' appear these should be amended to read '*the Co-operative Group Limited*' or such other name as the Co-operative Group may be called in the future

Rules whereby this amendment will apply:

Rule 8

Rule 9 (i)

Rule 16 – including title

On behalf of the General Council, Karen Froggatt proposed that the Composite Motion would reflect more accurately the Constituent Association structures of NACO in the Rule Book.

The motion was duly seconded on being put to the vote and was carried nem.con.

12. General Council Elections – Declaration of Results

At the invitation of the President, the General Secretary declared the following members had been re-elected to serve on the General Council in the "All Others Class" for a period of two years:

Mark Craig
Roland MacPake
Maria McGettigan
Ken Makin
Roger Myddelton
Jayne Webb

There were three further valid nominations received as follows:

Ann Breen	Midlands Co-operative Society
Chris Cooper	the Co-operative College
Malcolm Rutherford	Seaton Valley Co-operative Society

Therefore the "All Others Class" would have one seat remaining vacant until the election for the "Co-operative Group" Class in 2008.

The General Secretary also declared that there had been one casual vacancy in the "Co-operative Group" Class and one nomination was received from Kelvin Wood, Asset Protection Manager but his role was declared redundant on 27 April 2007 and he was therefore unable to accept the nomination.

13. Any other competent business

There was no other competent business.

14. Induction of the National President for the year 2007/08

The retiring President, Mark Craig, installed Roger Davies, Senior Co-operative Affairs Officer, the Co-operative Group, as President of NACO for the year 2007/08. The President wished Roger every success in his third term of office as National President of NACO.

The President, Roger Davies, thanked Mark Craig for his kind words in respect of the inductions as President for the year 2007/08. Roger also thanked the General Council for their nomination and expressed his intent to continue to represent the membership of the Association during his year as President.

15. Presentation to the Retiring President

The President, Roger Davies, thanked Mark Craig for his Chairmanship of the 90th Annual General Meeting of the National Association of Co-operative Officials. The President also thanked Mark for being an excellent ambassador for the Association over the previous 12 months and presented Mark with his Past President's medallion.

The President advised the Annual General Meeting that during his year as President of NACO, Mark had supported his nominated charity, Shelter, and had raised a total of £2,500 to support their cause.

Mark Craig suitably responded.

The President thanked all members and delegates for their attendance, and declared the 90th Annual General Meeting of the National Association of Co-operative Officials closed.