

# **NATIONAL ASSOCIATION OF CO-OPERATIVE OFFICIALS**

## **ANNUAL GENERAL MEETING**

### **Minutes of the ninety-first Annual General Meeting held at the Yew Lodge Hotel, Kegworth, on Wednesday 21<sup>st</sup> May 2008**

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Roger Davies, NACO President, welcomed the members to the ninety-first Annual General Meeting of the Association, and specifically extended a warm welcome to the delegates from the Robert Owen Society, Abi Horsburgh and Alison Price, who were attending the AGM on behalf of the Society for the very first time.

#### **1. Apologies for absence**

Apologies for absence were received from Jayne Webb, Mark Dutoy, Neil Williams, Brian Emmerson, Peter Marks, Bob Page, John Williamson, John Hilbert, Darryl Smith, David Blackburn, Gary Hickton, Liz Colling, James Gallagher, George Flower and Alastair McGregor.

#### **2. Minutes of the Annual General Meeting 2007**

**Resolved:** 'that the Minutes of the ninetieth Annual General Meeting of the National Association of Co-operative Officials held at the Yew Lodge Hotel, Kegworth on Wednesday 16<sup>th</sup> May 2007, 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**

At the Crossroads?

With your indulgence, I would like to share with you some of my thoughts about our association going forward and the challenges we may face ahead. To do that however, I would like to reflect on some of those contributory factors that over the past few decades have helped fashion our association and the way we work.

Before that however, I would like to take the traditional role and thank all those constituent associations that invited me to their events and especially to those members who raised money for my chosen charity. As you are aware 2008 is the 150<sup>th</sup> anniversary of Robert Owen's life and achievements. My charity, The Fair Literacy Scheme is intended to extend one of Owen's legacies in relation to the education of children. Working with a group of like minded organisations the aim is to establish a network of co-operative schools in Bangladesh. The

monies raised to date, by colleagues, will be used to hold an autumn teacher training school in Bangladesh. So many thanks to one and all.

Also my thanks to the NACO folk who often work behind the scenes to ensure things happen.

The last few decades has witnessed dramatic changes in the world of work and employment. After decades of extensive economic change and restructuring, accompanied by major legislative reforms in the 1980's & 1990's trade unions face an uncertain future. Taken together this amounts to a massive reversal of trade union fortunes and raises a fundamental question about the future of trade unions.

Let's briefly examine this situation in bit more detail. This pattern of change has undermined the prevailing post war arrangements, what some refer to as the 'Golden Age' of industrial relations with the political settlement made between capital, labour and the state creating a broad public consensus on the shape of post-war society. This political discourse nudged policy to the left and made Keynesian economics and state intervention acceptable to "middle opinion" and to the bulk of the electorate. We had a broad consensus amongst both the Conservative Party and Labour Party to this settlement 1945-79.

As part of this settlement the unions crossed the political threshold and became part of the political industrial estate, where union's leaders played an active role in the polity. As part of this process trade union membership grew and at its peak in 1979, approximately 13 million people were members of trade unions which equated to a union density (actual v potential) figure of around 54% of the working population. At the workplace the influence of trade unions also grew and the main method of regulating the employment relationship was through trade unionism and collective bargaining.

As we know however what happened next was different, as the famous historian Eric Hobsbawn described it, 'the forward march of labour was halted'; the material basis of the golden age was shattered by the election of a radical Conservative government. Economic policy changed from a largely Keynesian model to a monetarist one and rejected the Keynesian solution to unemployment and eschewing the cosy, informal 'beer and sandwiches' relationship of government ministers and trade unions. We then witnessed a state led attempt to transform industrial relations through a succession of anti- trade union legislation in the 1980's and 1990's, which set out to restrict and undermine organised labour.

These measures are frequently cited as the main contributory factors in the absolute and relative decline of trade union membership and influence during these decades when British trade unions suffered a decisive set back. Trade unions had approximately 6.5 million fewer members than they had two decades before.

Since 1997 with the election of New Labour the state led offensive on trade unions has declined, some positive rights have been introduced as in the trade union recognition provisions contained in the 1999 Employment Act. We have seen new individual rights introduced in shape of anti-discrimination law and family friendly policies. We have also seen new employment rights introduced in Britain as a result of the European Union 'Social Dimension'. Nevertheless the fact

remains that much of the restrictive trade union employment legislation introduced by the previous government remains on the statute book.

Despite the fact that the dramatic decline in trade union membership has been halted today according to the latest Workplace Employee Relations Survey data published in 2006 only around 30% of the workforce belonged to a trade union, which equates to three in ten workers, with predictions for the future according to one expert Professor David Metcalf of the London School of Economics suggesting that union membership will decline even further in the next decade, possibly to as low as around 20% of the work force. Many people in the workforce have never been members of a trade union and do not work in industries where trade unions are recognised.

With this decline in union membership we have also seen the decline in the coverage of collective bargaining and pay determination. According to the Workplace Employee Relations Survey both the incidence and coverage of collective bargaining has declined. Now only around 27% of workplaces have any collective bargaining arrangements, only around 40% of employees are covered by collective bargaining. For the majority of employees the employer now determines pay unilaterally.

I have attempted this afternoon to locate the prospects of NACO in the current context of British industrial relations. Any assessment or evaluation of trade union performance has to be more muted in this setting compared with the performance of trade unions say twenty-five or thirty years ago. However we should not forget unions still have important functions to perform and a role to fulfil in the world of work and employment.

Can I remind you of some of the basic functions performed by trade unions?

They still wield the 'sword of justice in the workplace' in that they narrow the distribution of pay, promote equal opportunity and family friendly policies, lower the rate of industrial injuries, and help individuals resolve grievances at work.

They also provide important 'voice mechanism' through which collective concerns can be expressed and articulated to the employer.

More significantly they aim to protect our members' terms and conditions of employment and, in the final analysis trade unions try to ensure that workers are not treated like a commodity within the market nor as a simple disposable resource in the firm.

It is my belief that trade unions will continue to have a positive role to play in industrial relations of the future.

It is in these circumstances however our union NACO has had to function

Having, rather sketchily, put a thirty-year industrial relations scene into some context I'd like briefly to touch upon the impact of those changes on our association.

The impact on the Co-operative Movement of the 1980's economic recession and the economic fluctuations of the 1990's are well documented. As many of us present here today have vivid memories of those days I shall therefore not dwell on them. One thing that should be mentioned is that whilst the Co-operative Movement was sympathetic of trade unions it did not mean that collective representation was made any easier. Many of us may recall the frequently heard saying "we are experiencing difficult times" in relation to pay claims.

A statistical analysis of NACO membership over the period under review shows that society mergers, restructures, the sale and, or closure of production units has impacted heavily on membership figures.

Colleagues - as the second longest serving member of the General Council I am aware of these changes and their impact on our Association. I am also acutely aware of the diligence of Council colleagues and of our officials over the years to sustain NACO as an independent viable trade union. Despite those losses that occurred in the later part of the 20 Century we have remained financially viable and an independent trade union.

Maintaining our organisation to our present position was not without difficult decisions. Some of these were more acceptable and a few that were not so popular especially, when it came to finance and member's annual subscriptions to the association. If I may remind you of some of those changes that have occurred they include: a managed investment portfolio, member recruitment initiatives, communications with members, our image and services to members. The later point includes succession planning for our officials, and in line with the recommendations of the Co-operative Commission negotiating new pay structures. Although changes have been made this is not seen as a definitive solution. Reviewing the relevance and quality of our services to members is a constant feature of our work.

Our organisation has learnt from meeting those past external challenges such as mergers, acquisitions, sales of businesses and re-organisations or restructuring.

We do not have a crystal ball that enables us to look into the future. We rely on the skills and knowledge of everyone concerned in the viability of NACO. Our records show that amongst our strengths we have the structures to facilitate member engagement, accountability and democracy.

Let us not forget however, one consequence of the attitudes to trade unions during most of the later part of the 20<sup>th</sup> Century is that cultural gaps have emerged whereby there were two or more decades of employees who do not have a tradition of being or were not encouraged to be members of a trade union. An example of that are the thousand plus people in the consumer Co-operative Movement who are in NACO recognised positions and not in our membership. Added to this are the cultural differences in organisations relating to NACO membership arising from the sale of businesses, mergers and acquisitions of any size where management grades may or may not be trade union members.

In a climate where world economics have such an influence in this country it's not easy to plan forward with confidence. Added to this is the potential for a change in power within the state and consequent changes in policy toward industrial relations and trade unions. Along with any or all

of those influences we face additional pressures from those changes that can come from within the Co-operative Movement.

Change is imminent it is how we handle that change that is important. The members of NACO have an important role to play in determining our response to change whether that's proactive or reactive.

I believe the main challenge for us all within a changing environment - is to sustain a first class service to our members whilst maintaining the future viability of NACO as an independent trade union.

For this we need to explore ways of:

- Reducing the number of employees in NACO status jobs who are not currently members of our association. In an environment that's constantly changing ensure that all jobs which come within the scope of our negotiations are in our membership. This is something we can all do.
- Expand membership within the wider Co-operative Movement. This could mean exploring our Rule Book in relation to membership potential in the mutual / social economy sector
- Making membership attractive by continually evaluating the quality and relevance of our services to members, including communications whether written or the format of meetings, such as this AGM. This could also include our conference programme. There has to be potential for developing newer and broader horizons, especially on the education or conference side?
- Reducing the number of jobs lost through mergers. The Yorkshire / United and the Co-operative Group and United mergers have shown the potential for development.
- Ensuring whenever large scale acquisitions occur we establish early recognition rights
- Making NACO an organisation of which all members are proud to be in membership.

Colleagues, let us remember as trade unionists we share a common belief and goal, which is in essence based on humanitarian principles and a collective approach, let us never surrender that belief or goal in taking our association forward. We have maintained a managerial union through very difficult times - let's together, meet the future challenges ahead, forward, onward and upward!

That's the belief

Thank you

## **5. Presentations**

In the absence of Delma-Rose Yorath, Ted Perfect from the Central & Eastern Constituent Association made a presentation of the Kevin Yorath Memorial Award to Joe Scullion in recognition of his exceptional service to NACO over many years, noting that Joe had been an avid advocate of the Association since becoming an active member in May 2001, when he actively encouraged colleagues to not only be members, but also become active within the

Association. Ted Perfect went on to say that Joe had been a true professional in his dealings with and for the Association and dedicated his time to assisting colleagues both individually and on collective issues.

Until his recent illness had prevented him from continuing his work for the Co-operative Group and NACO, Joe was an ever present at Committee meetings where his input was considered, thought provoking and relevant, and stated that on behalf of Delma-Rose Yorath, it gave him great pleasure in presenting the Kevin Yorath Memorial Award for 2008 to Joe Scullion.

Joes Scullion suitably responded to the award.

The President advised the meeting that Honorary Life Membership was to be awarded to Dennis Thompson. The award was presented to Dennis in recognition of his great service to NACO since being elected to the Nottingham Executive Committee in 1989, and had been continuously elected to serve there for almost two decades. The President went on to say that Dennis exemplified the highest qualities of commitment and service to colleagues and that he had maintained those values throughout his career in the Co-operative Movement and that is why the General Council has decided to award Dennis Honorary Life Membership.

Dennis Thompson suitably responded.

The President advised the meeting that a 'For Service' award was to be granted to Peter Bartlam. Peter joined the Midlands Co-operative Society in 1997 as Chief Security Manager following his retirement from the Staffordshire Police Force and immediately joined the Security Services Association becoming active within NACO at that time. He went over to take over as Chair of the Co-operative Loss Prevention Services Association in 2000, and became Secretary of the Association in 2001. Peter has been a staunch supporter of both the CLPSA and NACO over the years right up to his retirement in October 2007.

Peter was unable to be at the Annual General Meeting but the President advised the meeting that, as NACO were aware of this prior to the meeting, Peter had received his award at the CLPSA Conference the previous month.

## **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, Ann Breen took the Annual General Meeting through the Diversity Committee report for the year ending 31 December 2007 and also reported on the activity of the Diversity Committee to date in 2008.

At the invitation of the President, Roger Myddelton spoke to the Annual General Meeting detailing the General Purposes Committee report for the year ending 31 December 2007 and also provided an update on the activity of the General Purposes Committee to date in 2008. Roger

Myddelton also advised the Annual General Meeting on an updated report on the National Agreement.

At the invitation of the President, Jack Devers spoke to the section of the report dealing with the work of the Co-operative Group Council during 2007 and also reported on the activity of the Co-operative Group Council to date in 2008.

At the invitation of the President, Chris Cooper spoke to the section of the report dealing with the work of the Benevolent Fund Committee during 2007 and advised the meeting of the numbers of applications received to date in 2008. Chris Cooper also made a plea for more applications to be forthcoming as the Benevolent Fund existed to support members and former members who are suffering from financial hardship.

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 2007.

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**

Roger Davies, President, advised the meeting that Hurst & Co Accountants LLP were nominated by the General Council to act as auditors for the year 2008/2009.

**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 Financial Services to be Trustees of the Association for the year 2008/2009.

**Resolved:** 'that Messers 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 Roger Fretwell and Mrs Delma-Rose Yorath to serve on the Appeals Tribunal for 2008/2009.

**Resolved:** 'that Professor John Goodman, Mrs Delma-Rose Yorath and Mr Roger Fretwell be appointed to serve on the Appeals Tribunal for the ensuing 12 months'.

## **11. Motions to Amend the Rules**

### **Composite Motion 1**

Proposed by the General Council

*To amend Rules 8, 9 (h), 9 (i), 14, 21 and Appendix B.11*

In proposing amendments to these Rules, it was felt by the General Council that, due to the amalgamation of the former United Co-operative and the Co-operative Group in July 2007, the democracy of NACO should now reflect the change in membership between the 'Co-operative Group' Class and 'All Others' Class in order that the membership would be fairly represented within the General Council.

The amendments proposed would see a number of seats available on the General Council reduce from 18 down to 16. The amendment would also see a change in the number of seats available to the 'All Others' Class from 10 to six and the number of seats in the 'Co-operative Group' Class increase from eight to 10. This, the General Secretary believed, would provide an accurate democratic process for NACO moving forward.

Rule 9 (h) and (i) Amendments related to the process whereby the General Council members will all stand for election in 2009, and the first five 'Co-operative Group' members together with the first three 'All Others' Class receiving the highest number of votes being elected for a two year term and the remaining members of the General Council being elected for a one year term.

Rule 14 is to tidy up the Rule Book and ensure that the quorum is in line with the number of seats available i.e. the quorum is to be six.

Rule 21 is proposed as an amendment to allow the General Council to affiliate to the Trade Union Congress (and its affiliates) and any other organisation that the General Council may determine. It moves away from the requirement of the Annual General Meeting to confirm or withdraw any affiliations and ensure that the General Council can continue to make decisions on behalf of the membership without unnecessary 'red tape'.

Finally it is proposed to amend Appendix B.11 to merely ensure that the Appendix is correct and that notice of the Standing Orders shall go to all Constituent Associations in advance of each Annual General Meeting.

The motions were duly seconded and on being put to the vote were carried nem.con.

## **Motion 2**

Proposed by the Diversity Committee and supported by the General Council

*Proposed amendment to Rule 3 (g)*

It is proposed to remove the word 'colour' as this word is covered under ethnic or national origin within the Rule being amended.

On behalf of the Diversity Committee and General Council, Ann Breen proposed the change to bring the Objects of NACO up to date with current legislation and thinking.

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 4 (a)*

It is proposed to review the salary level below which Unity Membership is granted and as such it is proposed that the level increase from £22,500 to £25,000 per annum.

On behalf of the General Council, Karen Froggatt proposed the amendment to assist NACO in recruiting lower paid eligible members to the Association, and confirmed that this would be an immediate alteration but will continue to be regularly reviewed every year by the General Council.

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

## **12. Motions General**

### **Motion 1**

Proposed by the General Council

*Proposed amendment to Rule 5(a)*

*It is proposed that in accordance with Rule 5(a), the rate of Annual Subscription be increased from £202.80 to £207.48 with effect from January 2009.*

On behalf of the General Council Karen Froggatt proposed the increase to the Annual Subscription Rate to enable NACO to continue its first class service to members in representations and negotiations. She went on advise that the level of subscriptions have been

maintained for a period of two years, but as the General Council review the finance of the Association carefully and being mindful of the ever increasing costs, it was felt that an increase of £4.68 per annum, which equates to 9p per week, is reasonable. She also points out that this is just a 2.3% increase in subscription rate.

The delegate from Co-operatives UK spoke against the motion as, due to the size of the Association's reserves, and to enable the membership costs of joining NACO to remain competitive, she felt that this was the wrong time to increase the subscription rate.

Roger Myddelton from the General Council then spoke for the motion to advise the Annual General Meeting that, due to regular cost increases, it was imperative for NACO to maintain a first class service to members, and believed that as the suggested increase was below the current rate of inflation and that it would not be introduced until January 1<sup>st</sup> 2009, the motion should be supported.

The motion was duly seconded and on being put to the vote was carried 1,253 in favour, 22 against and 123 abstentions.

## **Motion 2**

This was an emergency resolution proposed by the General Council

Due to the fact that expenses were last reviewed at the 2004 Annual General Meeting, and due to the ever increasing costs of travel and hotels, it was felt that the increase in the amount of expenses allowed was due for all delegates travelling on NACO official business.

### *Proposed amendment to Rule 18*

That mileage allowance should increase from 25p per mile to 33p per mile, and hotel allowance increase from £75 per night to £100 per night.

On behalf of the General Council, Karen Froggatt proposed the increase in expenses and advised the Annual General Meeting that these allowances were an increase of 30% on the previous allowance to reflect the rise in prices since the last review in 2004. She went on to say that the General Council has also committed to review the overall expenses policy for the National Association of Co-operative Officials and this will be detailed on the reverse side of future expense claim forms.

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

## **13. 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 'Co-operative Group' Class for a period of two years:

David Blackburn  
Roger Davies  
Jack Devers  
Karen Froggatt

There were two further valid nominations received as follows:

James Gallagher  
Samantha Rawlins

Therefore the 'Co-operative Group' Class would have two seats remaining vacant.

#### **14. Any other competent business**

There was no other competent business.

#### **15. Induction of the National President for the year 2008/2009**

The retiring President, Roger Davies, installed Karen Froggatt, Regional Secretary of the South East Region Membership Services, the Co-operative Group, as President of NACO for the year 2008/2009. The President wished Karen every success in her term of office as National President of NACO.

The President, Karen Froggatt, thanked Roger Davies for his kind words in respect of her induction as President for the year 2008/2009. Karen also thanked the General Council for their nomination and advised the meeting that she was proud and honoured to represent the membership of the Association during her year as President.

#### **16. Presentation to the Retiring President**

The President, Karen Froggatt, thanked Roger Davies for his Chairmanship of the 91<sup>st</sup> Annual General Meeting of the National Association of Co-operative Officials. The President also thanked Roger for being an excellent ambassador for the Association for the previous 12 months and presented Roger with his Past President's medallion.

The President advised the Annual General Meeting that during his year as President of NACO for the 3<sup>rd</sup> time, Roger had supported his nominated charity, The Fair Literacy Project, and had raised a total of £2,000 to support their cause.

Roger Davies suitably responded.

The President thanked all members and delegates for their attendance and declared the 91<sup>st</sup> Annual General Meeting of the National Association of Co-operative Officials closed.