

National Association of Co-operative Officials

Minutes of the Eighty-ninth Annual General Meeting held at the Yew Lodge Hotel, Kegworth, on Wednesday 17th May 2006

Frank Wood, NACO President, welcomed the members to the eighty-ninth Annual General Meeting of the Association.

1. Apologies for Absence

Apologies were received from Norman Sturgess, Elliott Moss, Kelvin Wood, Peter Rowley, David Blackburn, Graeme Skidmore and Frank Brumby.

2. Minutes of the Annual General Meeting, 2005

Resolved: “That the Minutes of the eighty-eighth Annual General Meeting of the National Association of Co-operative Officials held at the Yew Lodge Hotel, Kegworth, on Wednesday 11th May, 2005, 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

Fellow members,

Some of you here may recall that I was President of NACO in 1997/98 – so this is the second time around for me. I am in good company because Roger Davies and Stefan Szymczak have already done two stints as President of NACO.

This AGM is also my swan-song because I am now retired and I can look back on Co-operative service over a period of 43 years. My memories are almost all positive ones of my service through the Associated Co-operative Creameries business. Certainly, life was never easy in the sales side of an ambitious and expanding business in the Dairy Industry – but it was always exciting, never dull and I had the support of good and dedicated colleagues.

NACO has been part of a long and rewarding career in the Co-operative Movement. I have been a life-long trade unionist. I believe passionately in responsible trade unionism and in co-operation and it has been my good fortune to have been able to serve both.

Looking now at what has befallen NACO and NACO members over the past 12 months, we can all see from the Annual Report that membership numbers have fallen by 83 over the year 2005. That reflects a year when many of our colleagues have faced restructuring which has brought with it redundancy and job loss for all too many.

It is sad to note that almost all of this redundancy has resulted from poor business performance and in some cases indecision over many years in the past. Cost cutting has been the order of the day – nowhere more so than in the Co-operative Financial Services business comprising the Co-operative Bank and CIS. The cost cutting has fallen almost exclusively

upon the CIS business over the past 18 months. But there has also been a great deal of business restructuring and streamlining in order to improve efficiencies across CIS. This has been successful resulting in a business that is now in a more competitive stance and is well placed to succeed in the future.

So the pain has not been in vain and, while we cannot rule out further changes yet to come, we now have an insurance business of which the Movement can again be proud.

In my own business, we had high hopes in August 2004 when it was sold to Dairy Farmers of Britain (DFoB) that this would stabilise employment for management given that DFoB did not have the management team necessary to run a Dairy business. Initially, that seemed to be the case. But in 2005 we have seen a mass of redundancy that has reduced NACO management numbers since the takeover date by over 80. Indeed, I myself was one of these statistics.

Hopefully, the worst is over and I wish all my former colleagues in DFoB a more stable and secure situation for the future.

The Co-operative Group itself has made decisions to dispose of or axe yet more businesses including the large Priory Motors concern, the Department Stores business employing more than 1,300 people and, quite recently, the Syncro engineering business, all of which were seen to be “non-core” businesses.

In addition to this, the Group announced in the summer of 2005 a major cost cutting exercise under the project name “Chancellor” aimed at taking at least £50m per annum out of business costs on an ongoing basis with a stretch target to £80m per annum. Members will readily appreciate that an exercise of this magnitude with a potential to cut some 400 NACO level jobs, demanded a great deal of resource from the Association and so it has transpired. NACO officials have been heavily engaged since the late summer/early autumn of 2005 on a succession of restructuring proposals impacting upon almost all areas of the business – and these continued well into 2006.

Right at the outset, NACO entered into detailed consultation and negotiation with the Group with the result that agreement was reached, not just on stringent consultation processes, but also on a 25% premium on redundancy payments for all job losses resulting from the Chancellor processes. Through consultation and close monitoring of the business cases, actual role reductions to the end of 2005 were kept to around 100 – and this would appear to be around 90% of the restructuring exercise.

There was also something of an increase in merger activity among Co-operative Societies over the past year. Members will be well aware of the two major mergers between firstly West Midlands and Oxford, Swindon & Gloucester Co-operative Societies to form the new Midcounties Co-op; and secondly the merger between the former Colchester & East Essex Co-op and the Ipswich & Norwich Co-op to form the East of England Co-operative. A reference to the Annual Report will show that the Association was closely involved in consultation and negotiation in both of these mergers to ensure that redundancy should be kept to a minimum and that there were in place special redundancy terms to give specific compensation to those NACO members who might be affected by redundancy.

Towards the end of 2005 we also had a proposal by the Brixham Co-operative Society in the South West of England to transfer engagements to the Plymouth & South West Co-op – and

again NACO officials were directly involved to negotiate particular terms for the two NACO members involved in that.

So we have certainly had the pain over the past 12 months. Let us hope that the gain will follow. The cost cutting in the CFS and the Co-operative Group businesses should, if the process is managed correctly, go straight onto the bottom line and we can hope to see the beneficial results of this for the year end January 2007.

The dispute with the Co-operative Group over the April 2005 pay review dragged on until the autumn of 2005 when we narrowly avoided having to ballot members on industrial action. This was achieved not by re-visiting the 2005 pay review which was imposed and never agreed with NACO but instead by a pre-agreement on the April 2006 settlement which will provide increases of 3.5% for those on a general pay increase and a pay pot of 3.5% for those upon variable pay which looks good against a Retail Price Index figure of 2.4% at the review date - and which has been well received by the members.

Looking at the 2005 review of the National Officials and Departmental Managers Agreement – the Agreement which covers our members in most of the Co-operative Societies other than the Co-operative Group – we negotiated a 3.2% increase effective from the anniversary dates in July, have also achieved an improvement in the Permanent Health Insurance plan which will take benefit though to age 65 instead of stopping at age 60 and, together with the Co-operative Employers Association, we have been able to devise and implement a childcare voucher scheme open to all Societies.

Negotiations took place on 26 April on the 2006 review of the National Agreement and a settlement was reached on a 3.0% general increase effective from 1 July 2006. This is 0.6% above the rate of inflation at the date of negotiation (2.4%) and equates to the median settlement figure for pay reviews in the service sector in this pay round as published by Incomes Data Services Ltd in March this year.

Our negotiations were also successful in securing improvement in annual holiday entitlement for those members with service of (between) one year and four years – but only effective from the holiday year commencing April 2007.

The ability of NACO to respond quickly and effectively to requests for help from members in individual situations continues to be a high priority. A glance at the Annual Report will show that our officials again dealt with individual cases for a significant number of members including the recovery of more than £5.2m in compensation in disputed dismissal cases. This figure is up £1m on the previous record of £4.2m in 2003. Sadly, this stems in part at least from the upsurge in redundancy situations in 2005 – but at least it shows that NACO stood ready to challenge the dismissal/amount of compensation where necessary – and the figures reflect the Association's success.

If I may as your retiring President and one who has retired from Co-operative service, let me give a word of advice. The members are the union and we must never forget this. You members and delegates here today are among the active members of the Association and you form a vital link between the members and the officials and General Council.

We must strive to maintain that link. It may not seem all that important when things are running smoothly. But threats to employment can be just over the horizon. We all know how merger or sell-off proposals can materialise in a few short weeks.

So we all need to work at maintaining and building on these links and that means constantly looking for new, younger members to get involved in NACO so that we have good lines of succession.

I want to record my thanks on behalf of NACO to the Co-operative Group for their agreement to second our colleague Stefan Szymczak to NACO for this year to boost our resource capability in representing members through the major changes occasioned by the “Chancellor” processes. Stefan is doing a fine job for us. Thank you Stefan. And I also thank Co-operative Financial Services for their agreement to second John Waring to NACO for the second half of 2005. Thank you John for the excellent work you did for us.

This helped to relieve the pressure on the officials during the massive change processes involved in the implementation of the “New Operating Model” for the CFS while, at the same time negotiating a complete new set of terms and conditions for CFS. I want to record also the success of the annual pay negotiations with CFS which resulted in a general increase of 3.5% from April 2006 and distribution of 5.0% bonus pot.

With the retirement of Lindsay Ewing at the end of June this year and Neil Buist succeeding him in that post, it became necessary to find a highly capable and experienced person to succeed Neil as Assistant General Secretary. I am pleased to announce that the General Council has offered the Assistant General Secretary job to Ann Jarvis. Ann has accepted and will start with us in the summer.

She is with us today and it gives me great pleasure to introduce her to you.

Ann joins the Association following a long and active career in the trade union movement. Ann began her trade union involvement in the early 1980’s when she was a full time lay official for the predecessor of the PCS – the trade union for members in the Civil Service. During her time with the Civil Service, she undertook many complex negotiations leading the negotiating team for pay and terms and conditions of employment for some 45,000 staff.

Ann then moved into a full-time trade union post with the Society of Radiographers – an organisation dealing with managers and professionals in a similar fashion to ourselves. During her time with the Society of Radiographers, Ann undertook negotiations and represented individuals throughout the country as well as building upon membership numbers.

Following five years as National Officer, Ann moved to the union Prospect – representing civilian professional members employed in the Land, Navy and Air Force Defence organisations. As with her time with the Radiographers, Ann undertook a heavy caseload dealing with both individual and collective issues.

We are delighted to appoint Ann to the position of Assistant General Secretary and believe that the skills and experience she brings to the team will provide a significant support to our members. We wish her well in her new role and on behalf of the General Council look forward to working with her.

Finally once again I would like to thank my wife for putting up with me, getting me to where I should be and supporting me through not only my involvement with NACO but also in my work and recent retirement.

Thank you.

5. Presentations

Delma-Rose Yorath made a presentation of the Kevin Yorath Memorial Award to Stefan Szymczak in recognition of his exceptional and valued service to NACO over many years, noting that Stefan had undertaken the role of NACO National President in 1999/2000 and 2002/2003. He had also been a leading member of the General Council for many years and played an active role in NACO conferences with his amusing presentations on wine tasting.

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

Stefan Szymczak suitably responded to the award.

Delma-Rose Yorath confirmed that there had been five nominees for this year's award and all were worthy of consideration. The remaining four nominations would be reviewed for future awards.

The President advised the meeting that Honorary Life Membership was to be awarded to Elliott Moss, who was in China and regrettably, unable to receive his award today. The award was presented to Elliott in recognition of his 37 years service to the National Association of Co-operative Officials. The President noted that Elliott has been an active member within the Manchester CWS Committee and as chairman of the Co-operative Group Council, as well as having served on the General Council. The award would be presented to Elliott at the next Co-operative Group Council meeting in September 2006. The President thanked Elliott for his service to the Association and wished him a long and happy retirement.

The President advised the meeting that Honorary Life Membership had been awarded to Ken Richards. The meeting was advised that as Ken was unable to attend today's meeting he had been presented with his award at the President's Dinner the night before. Ken retired in January 2006 from his role as General Manager, Funerals at the Leeds Co-operative Society. Ken's award was in recognition of his service on the General Council and also the Leeds Constituent Association. The President thanked Ken, in his absence, for his service to the Association and wished him a long and happy retirement.

The President advised the meeting that Honorary Life Membership was to be awarded to John Waring in recognition of his service to the National Association of Co-operative Officials. John had retired from the CIS at the end of 2005 following a life time of service to the CIS. John had been active as the Secretary to the CIS Managers Association and had also served on the General Council. In the second half of 2005, John had been seconded to NACO just prior to his retirement. The President thanked John for his service to the Association and wished him a long and happy retirement.

John Waring suitably responded.

The President advised the meeting that a "For Service" award was to be granted to Alan Daws for his exceptional service to the Co-operative Funeral Service Managers Association (CFSMA) where he had been the National Secretary for some 14 years. Alan had also been an active member of the Northern Sectional Council as well as the CFSMA North East/North

West Committee. Alan left the Co-operative Group, Funeralcare in 2005 following 27 years service.

Alan Daws suitably responded.

The President advised the meeting that a “For Service” award was to be granted to Tony Robertson for his exceptional service to the National Association of Co-operative Officials in his capacity as Chairman of the Central & Eastern Constituent Association as well as having been an active member of the Nottingham District, its forerunner. Tony had spent most of his working life in the Greater Nottingham Co-operative, which became part of the CWS and subsequently the Co-operative Group, where he was the Non Food Operations Manager until his departure in 2005.

Tony Robertson suitably responded.

The President Designate advised the meeting that Honorary Life Membership was to be awarded to Frank Wood in recognition of his service to the National Association of Co-operative Officials. Frank Wood had joined NACO on 10 June 1975 when he first became eligible for NACO status with the then Associated Co-operative Creameries – and almost immediately became involved as Secretary of the former ACC Managers Association – a post he has held ever since.

The President Designate advised the meeting that, as Secretary of his Association, Frank had:

- Represented Members at grievances and disciplinary hearings
- Been directly involved in collective bargaining negotiations at top level
- Convened and run meetings for members and committees
- Undertaken liaison with NACO Office

He had also served on the NACO General Council since May 1990 and also on the General Purposes Committee, The Diversity Working Group and the Co-operative Group Council – and had been President of NACO twice – first in 1997/1998 and again this past year.

Although he had now retired, Frank continued to act as the Honorary Secretary of the Dairy Farmers of Britain Constituent Association Committee.

Frank Wood suitably responded.

6. Annual Report and Balance Sheet

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

The President indicated that there was nothing to report on the Diversity Working Group as there had been no meetings convened.

At the invitation of the President, John Kenney took the Annual General Meeting through the General Purposes Committee report for the year ending 31 December 2005.

At the invitation of the President, John Kenney spoke to the section of the report dealing with the National Agreement Negotiations Team.

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 2005. Roger Davies also reported on the activity of the Co-operative Group Council to date in 2006.

At the invitation of the President, Stefan Szymczak spoke to the section of the report dealing with the work of the Benevolent Fund Committee during 2005, confirming that two grants had been made totalling £2085.

At the invitation of the Vice President, Neil Buist, General Secretary (Designate), took the Annual General Meeting through the Annual Statement of Accounts for the year ended 31 December 2004.

Following responses to questions from the floor, the Annual Report and Financial Statements was formally moved and seconded and duly adopted.

7. Appointment of Tellers

On behalf of the General Council, the President nominated Stefan Szymczak and Roger Davies as Tellers.

Resolved: “That Stefan Szymczak and Roger Davies be appointed as tellers.”

8. Appointment of Auditor

Frank Wood, President, advised the meeting that Hurst & Co LLP was nominated by the General Council to act as Auditors for the year 2006/07.

Resolved: “That Hurst & Co LLP be appointed as Auditors for the ensuing twelve months.”

9. Appointment of Trustees

The President advised that the General Council nominated Mr Martin Beaumont, Chief Executive of the Co-operative Group, Dame Pauline Green, OBE, Chief Executive and General Secretary of Co-operatives UK and Mr Philip Jones, Secretary of United Co-operatives to continue as Trustees of the Association for the year 2006/07.

Resolved: “That Messrs. Martin Beaumont and Philip Jones and Dame Pauline Green OBE be appointed as trustees for the ensuing twelve months.”

10. Appointment of Appeals Tribunal

The President advised the meeting that the General Council nominated Professor John Goodman and Mr Lloyd Wilkinson and Mrs Delma-Rose Yorath to serve on the Appeals Tribunal for 2006/07.

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

11. Motions to Amend the Rules

Motion 1

Proposed by the General Council

On behalf of the General Council, the General Secretary proposed the following sentence be removed from Rule 8 as the North Eastern Co-operative had now been fully integrated into the Co-operative Group and a reserved seat was no longer appropriate.

Proposed amendment to Rule 8

“One of the eight CWS class seats shall be reserved for a member employed by the North Eastern Co-operative but always provided that, if there is no nomination of a member employed by the North Eastern Co-operative, that seat will be filled by a member otherwise employed by the Co-operative Group (CWS) Limited”.

The General Secretary reminded the Annual General Meeting that, as the motion was for a change of rule; it required a two-thirds majority. The President indicated that should there be no clear indication from the Annual General Meeting he would instruct the General Secretary to facilitate a card vote.

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

12. Motions General

The delegates for the Co-operatives UK Association were invited by the President to propose their motion regarding subscription rates first as it was in direct opposition to the motion proposed by the General Council and as such would provide for a meaningful debate. This proposal was accepted by the Co-operatives UK Association delegates and by the meeting.

Motion 2

Proposed by the Co-operatives UK Association

“This Branch notes the healthy reserves of NACO and congratulates the General Secretary and the General Council on its careful management of NACO’s finances.

In light of this and the importance of recruiting new members, this Branch proposes that subscriptions are retained at the current level for 2007”

Speaking to the Motion on behalf of the Co-operatives UK, Phil Holmes advised the Annual General Meeting that the importance of recruiting new members was paramount to the survival of NACO and as such the £200 barrier could potentially be a stumbling block for those members who have yet to join.

Speakers were invited from the floor to speak either for or against the motion

The motion was duly seconded and a card vote was undertaken. Vote recorded for the motion numbered 212 and votes against the motion numbered 692. The President declared that the motion was lost.

Motion 1

Proposed by the General Council

"That, in accordance with Rule 5(a), the rate of annual subscription be increased from £198.12 to £202.80 effective from 1st January 2007".

Speaking to the motion on behalf of the General Council, the General Secretary advised the Annual General Meeting that the rate of increase was broadly in line with inflation and that NACO would remain in line with similar professional organisations. The General Secretary also indicated that while it was true that NACO was in a financially strong position it was important to maintain this state of affairs to ensure that the Association could maintain its high level of service to members through difficult times.

The motion was duly seconded and a card vote taken. Votes for the motion were recorded as 692; votes against the motion were recorded as 212. The President declared the motion carried.

Motion 3

Proposed by the Co-operatives UK Association

"This branch welcomes the news that NACO is soon to launch a website, and urges NACO to take this opportunity to adopt the dotcoop (.coop) top level domain name for all its websites and email addresses. The .coop domain operates in exactly the same way as .org, .com, or .co.uk. However it is exclusive to co-operatives and the organisations that support promote and serve the co-operative movement, enabling them to clearly differentiate themselves from their competitors. The pioneers who successfully campaigned for the creation of .coop, which was successfully launched in January 2002, showed extraordinary vision in securing this unique asset for the global co-operative movement at an early point in the evolution of the internet. To ensure the long term success of .coop as the trusted global online platform for co-operative identity it is important that it is actively used and promoted by all co-operatives and other eligible organisations".

Speaking to the motion on behalf of the Co-operatives UK, Dame Pauline Green acknowledged that NACO was about to launch its own web site and as NACO represented only Co-operatives it should be part of the Co-operative family and utilise a dotcoop domain name. It was highlighted that a simple forwarding rule could ensure that all e-mails under existing domain names could still be received.

The General Secretary responded on behalf of the General Council, and asked if Co-operatives UK would agree to remit their motion to allow the officials to consider along with the Co-operatives UK the benefits and implications of their motion and report to the September 2006 meeting of the General Council which was sympathetic to the proposition, especially if the existing domain name could be retained in parallel with the dotcoop.

Dame Pauline confirmed that the Co-operatives UK Association would agree to remit their motion and the delegates of the AGM confirmed their acceptance of this.

13. General Council Elections – Declaration of Results

At the invitation of the President, the General Secretary declared that the following members had been 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
Gary Hide
Garry Hickton
Stefan Szymczak
Joe Scullion

The General Secretary also declared that there had been four casual vacancies in the “All Others” Class and accordingly nominations were sought. One nomination had been received as follows:

Ken Makin, Group Security manager, United Co-operatives Limited

He announced, therefore, that three “All Others” seats would remain vacant until the election for the “All Others” class” in 2007.

14. Any Other Competent Business

The President informed the AGM that Lindsay Ewing, General Secretary of NACO was due to retire in July 2006. The President informed the AGM that Lindsay had been the General Secretary of NACO for 29 years, and prior to that position he was the HR Manager for the Scottish Co-op.

The President reviewed the 1977 statement of accounts for NACO and highlighted that the General Council had 31 members (now 18) representing 25 Societies. At the AGM there had been 16 amendments and rule changes proposed. There had been a request for the finances to be put on a firmer footing and subscriptions were increased from £15 p.a. to £20 p.a. There were 5460 members of NACO at the time. The President said that NACO had grown from strength to strength over the years to today. He highlighted Lindsay’s commitment and dedication to NACO often making the office his second home. Lindsay had also striven to make NACO and the Co-operative Movement work in partnership.

The President indicated that Lindsay would retire on 2 July 2006, and invited Neil Buist, General Secretary (Designate) to give a visual presentation of the gift that had been purchased for Lindsay following donations from members throughout NACO.

Lindsay suitably responded.

15. Induction of the National President for the year 2005/2006

The retiring President, Frank Wood, installed Mark Craig, General Manager, Co-operative Affairs, United Co-operatives Limited, as President of NACO for the year 2006/2007. The President wished Mark well in his new position.

The President, Mark Craig, thanked Frank Wood in respect of the induction as President for the year 2005/06. Mark also thanked the General Council for their nomination and expressed his intention to continue to represent the membership of the Association during his year as President.

16. Presentation to Retiring President

The President, Mark Craig, thanked Frank Wood for his chairmanship of the eight-ninth Annual General Meeting of the National Association of Co-operative Officials. The President thanked Frank for being an excellent ambassador for the Association over the previous 12 months and presented Frank with his past president's medallion.

Frank Wood suitably responded.

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

Addendum

The sum of £1,000 was raised for the President's nominated charity, the N.S.P.C.C. during his year in office 2005/2006.