

A Review of the Co-operative Union

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"I'm not interested in the survival of the Co-operative Union" was the first part of my answer to the accusation that that was why I was a member of the Review Committee that had just produced its report. The accusation was made in the midst of fierce debate on one of those late night, after dinner occasions, when earnest co-operators put their cherished co-operative world to rights.

No, the Review Committee Report is not at all about the survival of the Union, it is more important than that. It is about ensuring that the Union adopts a role that is understood and accepted by its members, and embraces a style and methods of operation that deliver the services that are required most cost effectively - to the benefit of member co-operatives.

By now, I was warming to the theme and continued:

The whole point of the Review Report is to be positive about the Union, to recognise its essential contribution to binding societies together into the co-operative movement and to ensure that it adapts itself to the current and future needs of its members. This way, they should value the services of the Union and recognise that their subscriptions are value for money. If all that the Review was seeking to do was to prop up the Union, to keep it going, the effort would be doomed to failure. The voices of doubt and discontent amongst Union members would continue and its status would continue to be questioned.

I hope this summary of a discussion that seemed to continue for quite some time, sets the scene adequately for what follows, which seeks to explain the purpose and key recommendation of the Review Report. It seems appropriate to start this summary of the Review, by outlining the background to it. It is probably fair to say that there were three main elements that contributed to the Review. The most important was a general climate of criticism, or lack of understanding of the Union, that surfaced

and was aired "off the record" by many senior co-operators, including some lay leaders and officials of some of the larger societies. The Central Executive considered that this atmosphere needed to be addressed, not least because some societies were questioning the level of Co-operative Union subscriptions, and obviously this is not healthy, at least in the long term. Next, some societies had been more specific in expressing their concerns about the Union to the Central Executive. For example, Co-operative Retail Services (CRS) had highlighted that it contributed some 20% of the Union's funding, yet had no direct representation on the Central Executive. This body concluded that this and other points that other societies were making should be given serious consideration. A third contributing factor related specifically to the UK Co-operative Congress. It was clear that there were wide ranging, and often mutually contradictory, views about Congress and how to change it. This culminated in the motion and debate at Congress 1996, which resulted in the Central Executive resolving to include Congress within the scope of the Review.

The Review Process

The Central Executive, at its first meeting following Congress 1996, elected a sub-committee comprising David Allonby (CWS), John Anderson (North Tayside & Strathaven), Alan Middleton (Lincoln) and myself (Oxford, Swindon & Gloucester) to undertake work on the Review, and to report back to the Central Executive. The Terms of Reference for the Review were agreed as covering three main areas. The first was to address the fundamental issues surrounding the Co-operative Union and was expressed in part as:- "To review critically the purpose and role of the Co-operative Union for the future, ... leading to a Statement of Aims and Objectives" This was crucial; if no-one is clear why the Union exists and what it is seeking to achieve, how can there be any sensible debate or consideration of the Union's structure, or of its organisation and funding? The second main area for enquiry within the Review was precisely those matters of structure (constitution) and organisation that I have referred to. This review of the modus operandi of the Union was to include, specifically, the current functioning of Group

Corporate Membership. Finally, as will be clear from the points regarding Congress that are expressed above, it was decided that the sub-committee should include a complete review of Congress within its remit.

A draft Report was presented to the Central Executive in September 1996, and following serious consideration and some modification of the Report, the Union published a draft for consultation in October. The process of consultation has consisted of three main elements to date: a presentation to co-operators attending the CWS half yearly meeting in Manchester in October 1996; direct consultation with the Union's member societies; and consultation by and within the Union's Sectional Boards.

The Union's Role and Purpose

I think it will be evident to most co-operators that no serious review of the Co-operative Union could take place without bringing into sharp focus the fundamental question concerning the Union; "what's it all about?". This is why the Central Executive concluded that a statement of the Union's aims should feature as a priority within the Review Report. This Statement of Aims seeks to define why the Union should exist, given the current and prospective state and profile of the consumer co-operative movement. It also seeks to make clear the role(s) that the Union will aim to fulfil.

The Statement of Aims makes some key points. These include:-

- a) that the Union is an organisation that is representative of co-operative societies, yet is independent and is not controlled by any one society;
- b) that it seeks to promote the concept of co-operation through co-ordinating contributions that independent co-operative societies make to the wider co-operative movement. In parallel, it aims to ensure that societies receive reciprocal benefits from their participation in the movement. Co-operators understand very well that ABC Co-op or ABC Co-operative Society is accepted and supported by the public much more than ABC Retail Limited would be (that is most co-operators understand this);

c) that it aims to promote and defend the interests of its co-operative members with a wide range of important third parties, but particularly with the various levels of government;

d) that it aims to support the professional and lay leaders of its member societies in certain key areas including, very specifically, assisting in the education and development of lay co-operators, to equip them for their role as members of regional committees or boards, and ultimately as society directors.

The Central Executive considers that all its member societies should consider formally the full detail of this Statement of Aims and they will be asked to endorse it. This endorsement will then provide the foundation for subsequent analysis and review. Assuming that the Statement is endorsed, all members of the Union will be that much clearer that the rationale for and the role(s) of the Union have been confirmed by its membership. If this is so, then we will all have made progress towards understanding that such an organisation requires appropriate resources. A basis will have been established for more informed and rational consideration of appropriate levels of funding for the Union.

The Central Executive

One of the most sensitive areas of the Review was the issue of the Central Executive itself. The Central Executive structure was last revised in 1984, when there were 120 member societies, whereas the current number is 60 members, of which 37 are retail consumer co-operatives. Since that time, there have been some very significant changes in the profile of retail societies and particularly in that of the largest societies, ie CWS, CRS, United Norwest and Midland. These four societies now contribute some 67% of the Union's funding. The review committee considered a number of factors in determining its recommendations regarding the composition of the Central Executive for the future. Chief amongst these were:-

a) the recognition that the Union is a body that is

representative of its member societies; it is societies that are the members of the Union, not individual co-operators. Therefore, in principle, the governing body of the Union should be representative of the Union's membership;

b) some of the larger societies had made abundantly clear their dissatisfaction with the prevailing arrangements, including their lack of direct representation;

c) further concerns at imbalances in the voting strengths of societies within the Sections, with the effect that in some cases, one or two societies could control the result of Sectional elections;

d) the concerns of members societies about the Union's costs, which led the Executive to conclude that no increase in the size of the Executive could be considered.

The recommended future structure of the Central Executive is:-

reserved for CWS	6
reserved for CRS	2
reserved for UN and Midland	2 (1 each)
elected by and from other retail societies	4
appointed by and from Productive Board	1
TOTAL	15 (as now)

CWS and CRS have been requested to consider establishing a process of election by individual members for some of their nominees. The consultation process has highlighted that the election of the four members by and from other societies (one from each Section) could still have the drawback that in some cases a society may be in a position to determine the election result. Accordingly, the Central Executive has resolved to recommend that in a case where a Society has, in total, more than 40% of the votes in a Section, its proportion of the votes shall be capped at 40%. This is in the interests of promoting democracy, by ensuring that a Society would require some support from others in a Section for its candidate to win the election. If Congress approves these (amended) proposals, they

would come into effect in 1998. It is, of course, impossible to please everyone, especially when seeking to introduce important changes, but it is to be hoped that Congress delegates will mute any vested interests and will give support to these proposals, to make the Union's governing body more representative of the Union's membership

Group Corporate Membership (GCM)

The role of Group Corporate Membership within the affairs of the Union is important and sensitive. In essence, Group Corporate Membership enables the regions and branches of some of the larger societies, which are often based on former societies that have transferred their engagements to the larger society (sometimes on the point of financial ruin), to participate in the Union's activities as if they had remained as independent societies. When this measure was introduced, there was a requirement for "a substantial degree of managerial control to be vested in the branches", in order for societies to be eligible for GCM status. Congress 1988 deleted this requirement. There are now five GCM societies, the four largest and Scottish Midland. Collectively, GCM members command 5,339 votes at Congress, compared with 2,435 votes that are attributable to non-GCM societies. This makes it self-evident that if any reform of Group Corporate Membership requiring the consent of Congress were to be contemplated, it would be essential for such reforms to enjoy the support of the regions and branches of the GCM societies themselves.

Notwithstanding this, the Executive was made aware of some drawbacks associated with the practice of Group Corporate Membership as it has evolved. There is little question that the structures of some GCM societies are now such that there can be very little degree of managerial control in the branches. The practice of GCM society regions/branches proposing Congress motions - sometimes in conflict with other regions/branches of the same society or the policy of the parent society itself has, frankly, attracted widespread criticism. Taking into account the theme that the Union is comprised of member societies, its Congress should reflect this. Accordingly, the Executive wishes to encourage more co-ordination of Congress motions to be submitted by GCM society regions/branches by the Board of

the society. The Central Executive proposes to invite GCM Society Boards to involve themselves in a process of consultation with their regions/branches regarding Congress motions prior to their submission, and to assist the Central Executive by indicating the five proposals (and amendments) that it regards as their society's priority, (in the event that the Central Executive can not accept all of the proposals and amendments submitted by the Society's regions/branches).

Congress

The 1996 Harrogate Congress resolved that there should be a review of Congress, based on an annual event, but requiring a critical review of arrangements and proceedings. The Review considered many criticisms and suggestions that have been made by societies and individual co-operators. The most common points appeared to be that: many societies send the same delegate to the CWS AGM and Congress, which take place within one or two weeks of each other, the proceedings seem to lack focus, with a number of irrelevant proposals, and some social events now impact adversely on Congress business.

Accordingly, the Central Executive has resolved to recommend that:-

- a) Congress and the CWS AGM should occur on the same weekend at the same venue, with the CWS AGM taking place on Saturday, and Congress commencing on Sunday morning, both as now;
- b) proceedings should be more focused and particularly that there should be a presentation assessment of the movement's performance, immediately following the Presidential address and before lunch on Sunday;
- c) the sponsors of social events should be approached and invited to consider alternative events to complement Congress proceedings;
- d) there should be more emphasis on providing briefings and other information to delegates, to assist them in assessing their Society's position and in policymaking for their society

The Central Executive has received and considered very diverse views concerning Sectional Boards, especially following the publication of the draft Review Report in October 1996. As a result, it has now decided not to make recommendations in their area at present, but to ask the Sectional Boards themselves to consider their function further, with a view to any appropriate proposals for change coming forward at a later date.

Monitoring of Society Affairs

The Central Executive concluded that this is one of the prime responsibilities of the Union and has resolved to give this area greater attention in the future. The background to this important decision is the long history of Society failures, which tend to take place with great waste and at great cost to the rescuing society, and also which usually are very predictable to most seasoned co-operators, with the exception of those that are involved in the leadership of the ailing society. This must stop and the Union must become much more proactive than hitherto, in ensuring that it does. It is intended that all society directors will be provided with a frank, meaningful assessment of their society's results and that the Union should visit the Board of every society to discuss the assessment. Achieving this service will require substantial changes in the focus and functions of the Union's Information and Statistics sections and a number of items of information that have been supplied to societies in the past, will be discontinued as part of the refocussing exercise.

This personal summary of the Review Report has necessarily concentrated on those aspects of the reform of the Union that I consider to be the most important. It has not been possible for me to cover all areas of the Report and I confess that there may well be some other aspects that are considered to be important by other co-operators. For that, I apologise and ask for the understanding of the Journal's readers. For my part, my hope is that the Review Report and the discussion thereon at Congress will stimulate fresh consideration in each society of the Union. I trust that there will be renewed understanding that the purpose of the Union is to assist our collection of consumer co-operatives to join together in common purpose, to be the consumer co-operative movement. I would like to hope, also, that there will

be rejuvenated commitment for co-operative societies to work together for our common good.

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