

# Message from Our President

**Karen Froggatt was appointed President of NACO in May and in this exclusive article for *co-operative official* provides a progress report on the work of NACO and sets out our priorities for the coming months.**

I was delighted to be appointed President of NACO and continuing the work of NACO's officials and Executive (formerly called General Council) in reviewing our strategies and operations and ensuring that we are effectively responding to the needs and expectations of our members in these times of significant change. Like other members of the Executive, fitting this in with the demands of our 'day jobs' is increasingly challenging!



*NACO represented 376 individual members in 2010, aside from the work on behalf of members collectively.*

We in the movement have obviously become accustomed to change, given the significant numbers of mergers in recent years and major reviews of structures and practices – such as the creation of a Travel joint venture involving Thomas Cook, Midlands Society and the Co-operative Group, and Project Unity, which aims to unify the Group's business and brand and maximise the synergies available to the combined Co-operative

Group i.e. its financial services and trading arms.

The demands on NACO continue to be high – each change (and each individual case) bringing with it meetings with the members and societies involved and a range of other demands. NACO represented 376 individual members in 2010, aside from the work on behalf of members collectively. In just the first six months of 2011, the NACO

team has been involved in over 220 meetings (compared to 250 meetings in the whole of 2010).

NACO has only three officials involved in case work, which has brought its challenges, particularly given the need to continue to recruit members. As a response to the latter, Matt Arrowsmith was appointed to the NACO team as Member Development Officer, with recruitment being a key part of his role. Recruitment is particularly important as, despite his success to date, net membership continues to fall slightly year on year given the number of people leaving co-operative employment.

Despite the fact that there's scope to recruit more managers into NACO membership (and persuade them of its merits), we also need to be mindful of the ongoing reduction in the management population in the consumer co-operative movement and ensure that we operate efficiently, whilst ensuring that we continue to provide our members with the level of support and 'hands-on' involvement that they've come to expect – both individually and collectively.

*Continued on page 3.*

**CFSMA  
Conference 2011**

full report on page 5



Neil Buist, General Secretary

# Welcome

Welcome to the 75th edition of *co-operative official*. It's hard to believe that we've been producing our members' newsletter for nearly 25 years!

The publication has seen many changes in that time and, to mark our 75th anniversary, our latest innovation is to move *co-operative official* to an online-only version. Most of us regularly use the internet these days and feedback from our members in our 2010 survey showed that this was now the preferred format. Not only that, but it is better for us both financially and environmentally.

This edition of *co-operative official* contains a whole spectrum of news, from good to bad. First of all it is good news that our members have decided overwhelmingly to accept the pay deals we have negotiated with Co-operative Financial Services (now rebranded as 'Co-operative Banking Group') and the Co-operative Employers Association (see page 4). It's not such good news, however, for those members who work at the Co-operative Group. NACO has reluctantly agreed to a less than satisfactory pay award following a very disappointing set of negotiations for the 2011 review, as reported on page 11.

It was also sad for us to find out that Co-operative Banking Group has decided to withdraw from the Life and Savings market, as you will read on page 8. This will obviously have major implications for some of our members and NACO is now in consultation with Co-operative Banking Group to minimise the impact of the decision on them.

As you will have read on the front page (continued opposite), times continue to be challenging, not only for the Societies that employ our members but for the Association itself. However, as our President Karen Froggatt says, with "co-operation and goodwill" NACO can continue to support Societies to achieve their aims whilst effectively representing the needs of our members.

Many of you will already know Karen from her previous time as President and indeed from her unstinting efforts as a member of the NACO Executive. When she's not working for NACO, Karen is National Democratic Services Manager in the National Membership Services Department of the Co-operative Group, and has a high profile in the movement as a whole, which can only be good when it comes to spreading the word about the benefits of the Association.

It's also good to read on page 5 that this year's Co-operative Funeral Service Managers' Association (CFSMA) conference went well. David Dernley has had a busy year as National President and I'd like to congratulate him on doing a great job.

Finally, on the back page we report that this year's Co-operative Fortnight was a resounding success and that the new format Co-operative Congress in Birmingham was extremely well received. As we approach the United Nations International Year of Co-operatives in 2012, it is reassuring to know that Co-operatives UK is playing such a positive role in representing and promoting co-operatives in this country, and we're all looking forward to celebrating and shouting about the benefits of co-operation next year.

## Highlights

- PROJECT UNITY UPDATE
- CFSMA CONFERENCE 2011
- GOODBYE CLPSA, HELLO COBRA
- RESPECT FOR LGBT PEOPLE
- CO-OPERATIVE CONGRESS AND CO-OPERATIVES FORTNIGHT 2011

## Message from Our President (continued from the front page)

**The NACO Executive is devoting an increasing amount of time to reviewing our operating model and monitoring our finances.**

NACO has the benefit of significant financial reserves, though our aim is to avoid drawing on these in normal circumstances, in order to maintain the stability of the organisation in these changing times. As members will be aware, subscription rates increased minimally during the year, in order to assist us in 'balancing the books' and maintaining the services we provide.

Member communications has been a key area of attention in the last year, with a significant increase in the use of electronic channels and more timely and regular communications generally. If there's more you think we can do in this area, please let us know.

We're also keen to provide other channels of communication with members, over and beyond the ones we've traditionally used. For example, NACO will increasingly be facilitating discussion sessions on topical issues – the most recent being a meeting in Manchester at which Co-operative Group members could interact with Cheryl Marshall, Programme Director, and Wayne Lee, Director of Employee Relations & Reward, regarding Project Unity (see page 4).

Also high on the list for the Executive has been succession planning – both in respect of the NACO team and its elected bodies. With regard to the latter, I'm very conscious of the fact that it's only three years since I last held the office of President, though the significant changes in the composition of the NACO Executive resulted in there being a relatively

high number of members who have joined in recent years. I'm pleased to report that a number of newer colleagues seem keen to develop the role, therefore you're not likely to see me in the role of President again for many a year!

NACO is a rather unique organisation – a 'management association' rather than the usual model of 'trades union'. The relationship of NACO's officials and Executive with the co-operative Societies that NACO's members are employed by needs to be strong and effective. NACO needs to have ongoing communications with them – being 'in the loop' regarding their future plans and able to have an input from an early stage regarding the impact on members – whether in respect of restructuring, changes in pension funds, changes in terms and conditions or the myriad of other areas that NACO gets involved in.

We clearly need to be supporting Societies in achieving their aims in what is unarguably an extremely challenging economic environment. However, we also need to ensure that we are effectively representing the needs of members affected by such changes (and by individual issues that arise). I firmly believe that – with co-operation and goodwill – we can achieve both objectives, though undoubtedly 'unity is strength', therefore it's important that existing NACO members value their membership and that colleagues who aren't already members see the benefits of joining.

With best wishes

**Karen Froggatt**

## Travel Transfer Update

**The Competition Commission has now published its final report which formally and unconditionally clears the joint venture between Co-operative Travel, Thomas Cook and Midlands Co-operative.**

NACO has been in regular contact with both Midlands Co-operative and the Co-operative Group since the joint venture was first proposed. Now the Competition Commission's final report has been received, we are working with the businesses to ascertain the potential impact on members at both societies.

We are in the process of holding meetings with the three businesses involved in the joint venture and expect to be able to provide more information regarding the impact on our members once these meetings have taken place.



If you have any concerns or suggestions regarding the joint venture that you would like to put to NACO before we next meet with the businesses, please contact NACO National Office.

## Co-operative Banking Group Pay Review

**NACO members have voted overwhelmingly to accept the 2011 Co-operative Banking Group pay deal.**

A ballot of members resulted in an endorsement of the 3.0% pay increase, with 84% accepting the offer and only 16% rejecting it.

The increase to base pay took effect on 1 April 2011, with all increases backdated to that date. Full details of the offer were

communicated to NACO members in April. The turnout for the ballot was 45.5%.

Neil Buist said: "We're delighted members have overwhelmingly supported the pay increase that NACO negotiated on their behalf.

"In these difficult economic times, we genuinely feel this was the best deal we could secure for members and I'd like to thank all those who took the time to vote on the issue."

## National Agreement Review

**Members have also endorsed the 2011 review of the National Officials & Departmental Managers Agreement.**

Negotiations on members' behalf by NACO with the Co-operative Employers Association (CEA) resulted in a final offer as follows:

- A model Flexible Working Policy was agreed and the CEA Executive has recommended that member Societies should adopt this as a best practice minimum standard. Click here for more information.
- A review of the gender pay gap in managerial roles will be undertaken by the year end and data shared with NACO to develop joint recommendations.
- A pay award of 3.0% to be applied to all salaries in scope to the National Officials and Departmental Managers Agreement (NODMA) effective 1 July 2011, with the increase backdated to that date.

The ballot of members on the 2011 review showed that 87.5% of those who voted accepted the offer. The turnout for the ballot was 51.5%.

"We recognise that the current economic situation is very difficult for members and their families, and that the pay increase is a below inflation rise," said Neil Buist. "However, NACO believes this is the best settlement we could have achieved for 2011 and reflects well when compared to existing market data.

"Once again, I'd like to thank all those NACO members who took part in the ballot."

## Project Unity Update

**NACO is currently engaged in discussions with the Co-operative Group and Co-operative Banking Group about the Unity project and an open meeting for members was held on 13 September.**

Discussions to date have centred on the 'HR Toolkit' which provides the framework for the consultation process for business cases. This includes the formal processes which the business will follow to ensure that the transparent and high standards that the Group sets in relation to human resources policy, communication, employment law and consultation are followed in a fair and consistent manner.

Good progress has been made and the discussions have covered the following areas:

- Developing the business case and consulting with the trades unions
- Employee announcements and individual consultation
- The impact of structural changes
- Redundancy issues that may arise (including the terms relating to redundancy payments should job losses occur as a consequence of the restructuring through Project Unity business cases).

NACO held an open meeting on Project Unity to advise those members affected on the progress of the consultation process to date and to receive their feedback on the project. The meeting took place at the Park Inn Hotel in Manchester and was chaired by Neil Buist. There was input from Wayne Lee, the Co-operative Group's Director of Employee Relations & Reward, and Cheryl Marshall, Unity Programme Director, as well as other NACO officials. Visit [www.naco.coop/project-unity](http://www.naco.coop/project-unity) for more about the meeting outcomes plus an update on the implications of Project Unity.

**Any members with immediate concerns or queries about Project Unity should contact NACO National Office.**

## CFSMA Conference 2011: Developing and Maintaining Excellence

**This year's Co-operative Funeral Service Managers' Association (CFSMA) conference took place on Friday 16 and Saturday 17 September at New Century House in Manchester. The theme of the event was "Developing and Maintaining Excellence".**



David Dernley, National President of CFSMA

The conference was held straight after The Co-operative Funeralcare conference, and was addressed by speakers including Ursula Lidbetter, Chief Executive of Lincolnshire Co-operative Society, and George Tinning, Managing Director of Co-operative Funeralcare. The keynote address was given by John Hotowka, a well known motivational speaker, who discussed "driving excellence in the business".

According to outgoing National President of CFSMA, David Dernley, the theme he chose for the conference aimed not only to recognise the role of Co-operative Funeral Services as the market leader in its field, but to highlight the importance for funeral service managers of maintaining and focusing on delivering ever higher levels of service.

David Dernley was appointed President at the 2010 conference and his term of office came to an end at the close of this year's conference. David is Head of Funeral Services at Lincolnshire Co-operative and has been a member of the CFSMA since 1997.

A number of education sessions took place at the conference, including three sessions looking at personal development and getting the best out of managers as both individuals and part of a team. In addition, two sessions dealt with new developments in the funeral profession, including "promession" (freeze drying) and "resomation" (alkaline hydrolysis) – futuristic and somewhat scary sounding alternatives to burial and cremation, but as David says, "even cremation doesn't sound that appealing when you think about it!"

One of David's duties at the conference was to deliver the President's Address. In his speech, David explained that while Co-operative Funeral Services may well deserve to be market leader, it has no god given right to occupy this position, so it is incumbent on managers to ensure that it remains ahead of the competition. In return, managers should be able to expect the necessary support and recognition from their Societies.

"The role CFSMA has to play in achieving this is manifold," explained David. "CFSMA members have indicated that education and continuing professional development (CPD) are regarded as the key benefits of membership and this issue was discussed at length at the strategic review meeting held by the National Executive back in November last year."

David said that satisfying members' needs for CPD must, in his view, go well beyond the education sessions held at national conference and the strategic review meeting held by the National Executive back in November last year.

that the key to delivering CPD lies in the CFSMA's divisional meetings.

"This would encourage members to attend regularly thereby increasing the cross fertilisation of views, opinion and ideas throughout the Association. Additionally, a training day could be co-ordinated and held annually at some time other than conference."

In his address, David included a call to CFSMA members to encourage their fellow managers, who aren't currently members of NACO or CFSMA, to join up and enjoy the benefits of both organisations and indeed to take an active part in the affairs of the Association.

In conclusion, David added: "In order to stimulate new membership there has to be a clearly identifiable benefit to joining and the key benefit of this organisation has to be that of personal development."

At the Past Presidents' Dinner on the Friday evening, a number of awards were made to long-standing and outstanding members of CFSMA. In addition, NACO's Kevin Yorath Award for Service was presented to Simon Fisher by Delma-Rose Yorath. As mentioned in the last edition of *co-operative official*, this presentation was postponed from the NACO AGM in May.

In addition to his many Presidential duties, David also helped to provide some entertainment for delegates on the Friday night. As a percussionist with the Thoresby Colliery Brass Band, David took to the stage with the rest of the band – to great acclaim by all accounts!

Conference proceedings drew to a close on the Saturday evening with the installation of the new National President. This year's President is Brian Taylor, Funeralcare Regional Manager.



## A warning to all union members about insurance companies.

More and more often, insurance companies are trying to deal directly with people who have been injured, or persuade them to use one of the insurer's selected law firms.

In Thompsons' long experience insurers always under-settle cases where union lawyers are not involved.

Your union lawyers are interested in getting you the maximum compensation for your injury, while insurers want to pay out as little as they can get away with.



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A union member who slipped and fell at work, due to the debris on the steps at their factory, sustained back and leg injuries.

The employer's insurance company offered the member £750. Thompsons were eventually able to settle the case for £8000.

When a union member injured his back and ankle when a tub he was moving fell over due to the uneven flooring, he was initially offered £700 from his employer's insurers.

Thompsons were able to secure £5000 in compensation for the member.

Our client suffered a serious head injury when he was involved in an accident at work. His employers admitted they were at fault and their insurers offered our client £4000 in compensation.

Thompsons rejected the claim and after more medical evidence was gathered and much negotiation with the insurers the case finally settled for £260,000. Over 6000% more than the insurers initial offer.

If you are injured in or out of work take advantage of the free independent legal service that's part of your union membership.

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<sup>†</sup> Union rules, conditions and exclusions apply - please contact your union for further information.

<sup>††</sup> Accidents outside of the UK are covered where cases can be pursued in the UK courts.

# Co-operative Banking Group: Life and Savings Review

The recent announcement that Co-operative Banking Group is withdrawing from the Life and Savings market is extremely disappointing and obviously has huge implications for the NACO members affected. NACO is now in formal consultation with Co-operative Banking Group regarding the impact of this decision.

In June, the Co-operative Banking Group Joint Trades Unions – NACO, Unite and USDAW – attended a formal meeting with Co-operative Banking Group regarding the outcome of the Life and Savings Review. This was the first formal consultation meeting about the outcome of the review, otherwise known as Project Jupiter.

The Life and Savings Review has been ongoing for some 20 months, and during that time the Joint Trades Unions met with Co-operative Banking Group regularly to be updated on the progress that was being made and any associated findings.

*We believe that this fundamentally changes the focus of Co-operative Banking Group as a business, and will have very serious effects on those staff who work in Life and Savings.*

During this time the joint unions consistently stated their position that the only acceptable outcome was for the Life and Savings business to remain within Co-operative Banking Group and receive substantial investment in order to increase its viability and to uphold our values and ethics as a co-operative business. To that end, several formal papers were submitted to both Co-operative Banking Group and the Co-operative Group Boards to robustly express our position and state our supporting arguments.

NACO and the other unions are therefore extremely disappointed that the Co-operative Banking Group Board unanimously decided that Co-operative Banking Group should cease to be a provider of life assurance products, and that an in-house solution was not the preferred option. We believe that this fundamentally changes the focus of Co-operative Banking Group as a business, and will have very serious effects on those staff who work in Life and Savings.

The withdrawal of Co-operative Banking Group from the Life and Savings market obviously has huge implications for the staff involved, and NACO is now in formal consultation with Co-operative Banking



Group regarding the impact of this decision on its members.

## Field Sales and Field Sales Support

It is proposed that the Field Sales channel will close, and that Co-operative Banking Group will no longer directly sell life products. NACO is currently in formal consultation with Co-operative Banking Group and will be carefully examining their business case, listening to members' views and making any necessary representations to management.

Given that the Life and Savings Review has been ongoing for such a long period, we have been able to prepare for all possible contingencies and, to that end, we have already conferred with Co-operative Banking Group regarding possible severance terms for field sales financial advisers and their managers, together with a support package.

The proposed terms are significantly better than the statutory requirement, and we believe that the support package will provide important help to members in finding further employment and completing their RDR training if required. The roles of most field sales support staff will disappear with the closure of the field sales channel and, although there will be the option of entering the Co-operative Banking Group redeployment process where there are suitable roles, redundancy may well be the ultimate outcome.

## Bancassurance

It is proposed that the Bancassurance function will transfer to AXA. NACO will be commencing discussions with Co-operative Banking Group concerning this transfer, and will keep you informed as discussions progress. We will of course ensure

that if this transfer goes ahead, it adheres to the TUPE regulations and the protection it gives employees. Whilst this is not the outcome we wanted, it should be noted that your employment is potentially secure, albeit sadly not with Co-operative Banking Group.

## Life and Savings and TCAM et al

Discussions are ongoing between Co-operative Banking Group and Royal London with a view to the Life and Savings and TCAM business being transferred to Royal London, a mutual organisation. Should agreement be reached, it looks likely that a significant number of staff will be transferred via a TUPE. As with the Bancassurance area, we will work to ensure that this transfer adheres to the TUPE regulations. Those staff that do not transfer may be able to enter the Co-operative Banking Group redeployment process, but may ultimately be made redundant.

"The purpose of our consultation is to provide as early an opportunity as practicable for all concerned to share the issues and explore the options with a view to reaching an agreement with all parties," explained Neil Buist.

"This isn't always a quick process, but we will be working closely with those members affected and will provide regular updates both on our website and directly to members. We know this is a difficult time, but NACO is working hard to achieve the best outcome possible for its members."

**It is still possible for individuals to join NACO and we strongly urge non-members to complete an application as soon as possible. Recommend a colleague to join NACO and share £60 of Co-op vouchers, just visit [www.naco.coop/member-get-member](http://www.naco.coop/member-get-member).**

## Goodbye CLPSA, Hello CoBRA



Paul Winstanley

**The Co-operative Loss Prevention Services Association (CLPSA) has changed its name to the Co-operative Business Resilience Association (CoBRA) and has extended its remit from loss prevention to business resilience in general.**

Traditionally, the CLPSA has been the Association for NACO members who work in loss prevention for co-operative societies. However, from the beginning of last year, they changed their mission statement to allow loss prevention managers from outside the movement to attend their conferences, in the true spirit of co-operation.

Taking this one step further, as Chair Paul Winstanley explained, in order to expand its scope, the Association has now decided to open up to include all areas associated with business resilience, such as health and safety, business continuity, data protection, insurance, legal services, compliance and risk / loss reduction.

"There is significant overlap between loss prevention and other areas related to business risk," said Paul, "so we thought it made sense to open up the Association to managers who work in these other areas within the co-operative movement and allow future conferences to cover a wider range of business resilience topics.

"This is a step change in what we have done as an Association up to now, but we believe it is the right thing to do and opens up exciting prospects for the future. Now, we're not only about loss prevention but about protecting our colleagues, business assets and reputations through managing risk."

CoBRA will be running its first conference at New Century House in Manchester on Wednesday 16 November, looking at how businesses can collaborate to reduce risk. 15 different businesses have already signed up to attend and there will be a range of interesting speakers representing GMP, BRC, Health, Beauty & Pharmacy Forum and the legal profession.

Paul Winstanley is National Operations Manager, Asset and Profit Protection, for the Co-operative Group, Operational Risk; Chair of CLPSA / CoBRA; a member of the NACO Executive and also an elected member of the Co-operative Group, serving on the Merseyside Area Committee for over the past 25 years.

**Places are still available for the CoBRA conference – to find out more and to book, please visit [www.naco.coop/clpsa-cobra](http://www.naco.coop/clpsa-cobra) or email [paul.winstanley@co-operative.coop](mailto:paul.winstanley@co-operative.coop).**

# Respect for LGBT People

The summer saw a host of Pride events taking place across the country. Prides are a chance for Lesbian, Gay, Bisexual and Transgender (LGBT) people to celebrate who they are.

The Co-operative Group has regularly been commended for its work in the LGBT community and has a LGBT network called Respect. The Respect network acts as a hub for all things LGBT oriented within the Co-operative Group and ultimately aims to create a community to engage LGBT colleagues as well as supporters of the network.

George Meudell, Chair of the Respect network, said: "Our aim is to engage as many colleagues as possible from every part of the Group and to support the business in relation to all LGBT matters. From the Highlands of Scotland to the beaches of Brighton, we want people to know who we are, why we're here and how we can help."

Paul Flowers, Senior LGBT Champion and Chair of the Co-operative Banking Group, said: "Respect is a very necessary network within our organisation. At present, it is still critical to raise awareness about discrimination and homophobia and we need to challenge all of that in a number of ways."

"I would expect managers to create an environment where everybody feels comfortable at work and this includes LGBT colleagues."

"We should all work in an environment where there is an appreciation for diversity and nobody feels uncomfortable or unwelcome within our organisation. It seems to me that our values and principles are absolutely clear and our managers have a duty of care to help foster that environment."

NACO fully supports the work and goals of the Respect network and would like to remind members of the advice and assistance we can provide on any matter relating to homophobic or other bullying or discrimination, in or out of the workplace.

Neil Buist said: "Any form of bullying or discrimination is totally unacceptable and homophobia is definitely one that should be left in the dark ages. There



## Quick Facts about LGBT at The Co-operative

- In 2011, The Co-operative climbed 15 places to 64th in the Stonewall Workplace Equality Index
- The Co-operative Group is the only retailer in the Top 100 of the Stonewall Workplace Equality Index and firmly in the crucial list of "Top 100" nationwide employers
- "The Co-operative has the best gay-inclusive advertising" - Stonewall Survey 2011
- In 2011, Pink Paper readers voted The Co-operative Bank the "best bank or financial institution". The Co-operative as a whole came third in the "company of the year" category behind Apple and the BBC.

are many avenues of support for people facing discrimination and NACO can help members who face any problems."

The Respect network was recognised by LGBT charity Stonewall as a Star Performer Network Group in 2011 and has been shortlisted for the Outstanding Employee Network Group of the Year award at the first ever European Diversity Awards (supported by Google) this autumn.

**To find out more about the Respect network email [respectLGBT@co-operative.coop](mailto:respectLGBT@co-operative.coop). For advice from NACO on any matters relating to bullying or discrimination, please contact the National Office or visit [www.naco.coop](http://www.naco.coop).**

NACO has made every effort to ensure that the information in this magazine is correct, but we cannot accept responsibility for any omissions or errors. The views expressed do not necessarily reflect the views of NACO.

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# The Co-operative Group Management Agreement: 2011 Review

**Following negotiations with the Group in relation to the 2011 review of the management agreement, NACO was unable to reach a satisfactory conclusion to the discussions.**

Negotiations earlier this year resulted in the Group increasing their initial offer of 2.0% to 2.25%, with a final offer of 2.5% then presented to NACO in early summer. This figure fell short of the claim that had been presented by NACO and, as a consequence, the Association sought the views of its membership. The feedback was clear in that the offer was not acceptable and this response was shared with the Group.

Despite this, the Co-operative Group Executive maintained that the offer was appropriate due to the following factors:

- The total reward package enjoyed by the management population, including bonus, variable pay and other benefits, should be factored in
- The performance of the Group, and in particular Food, in extremely challenging trading conditions
- The offer was prudent and reasonable and compared favourably to retail competitors.

NACO has continued to talk to the Group in an attempt to reinstate meaningful and constructive negotiations on the 2011 review. NACO considers the manner in which the Group Executive announced that it was to unilaterally implement the offer of 2.5% as unreasonable and at odds with the manner in which previous negotiations have been undertaken.

## A considered response

As a result of the Group's decision, the Co-operative Group Council and the NACO Executive have considered their position. The views of the membership that were received following the survey in the late summer featured as a major element of this debate. The feedback and data considered included the following:

- Members recognised the economic slump that is currently being experienced by the country and the impact that this has had on pay negotiations with many pay freezes implemented this year
- Base pay increases received by managers in the retail sector have, in the main, been below the offer of 2.5% (Asda 2.0%, Morrisons 2.3%, Sainsburys 2.3%, Tesco 2.5% and Waitrose 2.0%)

- The Group has not been immune to the economic downturn with performance significantly below that experienced in the previous year – and the difficult trading conditions continue
- Project Unity will result in fundamental changes to the business and members feel that job security is paramount and this should be the focus of attention at this time
- Only a very small minority of the membership felt NACO should take further action in relation to the pay review, whilst the vast majority felt that the award should be accepted and NACO should move forward.

As a consequence, NACO's position is as follows:

- We remain dissatisfied and aggrieved at the manner in which the Group Executive has undertaken negotiations in 2011 and urge them to return to negotiations in 2012 with a commitment to reach a negotiated settlement
- We recognise that the Group Executive strongly believes that the total reward package should be considered when reviewing base pay, in particular the bonus element
- Should bonus payments in 2012 not be at levels enjoyed by the NACO population in recent years we will seek to influence a re-evaluation of the other elements of the total reward package accordingly
- That the differential in reward between Co-operative Banking Group and the Trading Group that occurred this year should not be repeated in 2012, in line with the principles of Project Unity
- We strongly advocate that the Group Executive takes heed of the feedback that has been shared during the talks in 2011 in particular the reaction to the disparity between the management pay review and the Executive pay review.

Neil Buist said: "NACO have reluctantly agreed to the offer of 2.5% to conclude what has been a very disappointing and unsatisfactory set of negotiations for the 2011 review. However, NACO will ensure that the membership is strongly represented in the 2012 review and we will be seeking input from the membership on those negotiations in due course."

**Details of the variable pay matrix used in this year's review process can be found on the NACO website at [www.naco.coop/variable-pay](http://www.naco.coop/variable-pay).**

## co-operative official

co-operative official is published by National Association of Co-operative Officials, 6a Clarendon Place, Hyde, Cheshire SK14 2QZ.

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# Co-operative Congress and Co-operatives Fortnight 2011: A Real Success



Ed Mayo

**Co-operative Congress 2011, the annual event to celebrate 'The Power of Co-operation' in Birmingham earlier this year, kick-started the second Co-operatives Fortnight in style, with an all-new format and keynote speakers that proved a huge hit with delegates!**

The event, at the Hilton Birmingham Metropole (24-26 June), organised by Co-operatives UK in partnership with Simplyhealth, was the biggest gathering of co-operative representatives in the UK, bringing nearly 1,000 delegates from across the co-operative sector together to learn, network and be inspired by co-operative action.

Keynote speakers included Mary Portas, Queen of Shops, Britain's best known retail guru and consumer champion, who urged the UK co-operative movement to shout louder and longer; Andrew Simms, author of groundbreaking reports - 'Tescopoly', 'Ghost Town Britain' and 'Clone Town Britain' - which have changed the debate on the impact of mass retailing on communities; Paula Venells, Managing Director of the Post Office Limited, and Dame Fiona Reynolds, Director General of the National Trust.

In addition, Professor John Arnold presented The UK Co-operative Economy Report 2011, compiled by Co-operatives UK, which revealed that the co-operative sector had significantly outperformed the wider UK economy since the credit crunch.

The report showed that the combined turnover of all UK co-operatives had grown by 4.4% last year to £33 billion and had grown by 21% since the start of the credit crunch in 2008. It also revealed that membership of co-operatives had seen a dramatic increase, rising 18% since 2008 to 12.8 million people, meaning that one in five of the entire UK population is now a member of a co-operative.

"The resilience of the co-operative economy holds lessons that could help the UK economy avoid repeating the problems of recent years," said Ed Mayo, Secretary General of Co-operatives UK.

"The evidence we have is of remarkably stable growth across a wide array of co-operative businesses. The values of shared ownership, shared wealth and democratic control appear to provide resilience in the face of economic adversities. Our co-operative

economy is in good health – still further proof, to both the public and private sectors, of exactly how economic success can be pursued alongside social responsibility."

Elsewhere, the report said the number of co-operatives in the UK had grown by 15.1%, rising from 4,820 in 2008 to 5,450 in 2010. And with the UK government predicting that one in six public sector employees could be working in new mutual enterprises delivering public services by 2015, the potential for further growth in co-operative businesses is great.

An inspirational Co-operative Congress 2011, marked the beginning of an equally successful Co-operatives Fortnight – the co-operative sector's national campaign, co-ordinated by Co-operatives UK, with its theme of 'Yours to Share', which helped to highlight (from 25 June to 9 July 2011) how co-operative businesses share their profits, give people an equal say and help build a better world.

A range of activities took place over the Fortnight, and feedback shows that:

- Over 200 organisations ran Co-operatives Fortnight activities
- Over 1.7 million people promoted Co-operatives Fortnight on social media including Twitter, Facebook and LinkedIn
- 145,382,864 people heard about the campaign via national, regional and trade media
- 5,246 people signed the Co-operatives UK petition, to narrow the gap between rich and poor
- Seven activities took place for elected politicians in all devolved nations – from parliamentary debates and receptions to lectures and visits
- Over 30,000 activity packs, badges and pocket sized facts about co-operatives were distributed to members, businesses and supporters to promote the Fortnight
- And 5,000 Co-operative Group stores promoted the Fortnight nationwide.

Ed Mayo said: "I would like to thank everyone for their enthusiasm and contributions to this year's Co-operatives Fortnight. By coming together in a burst of energy for two weeks, the co-operative sector acts as a movement, showing everyone how they help build a better world."