

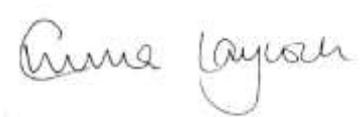
Co-operatives UK Board of Directors

Update on Key Decisions

October 2020

The Board of Directors of Co-operatives UK met on 21 October. The agenda included a range of strategic topics for discussion. The Board also welcomed our new CEO, Rose Marley, to the meeting as an observer. Rose will take up the post on 1 January.

A summary of the Board's discussions and decisions can be found below.



Emma Laycock
Interim Society Secretary

Operational & Financial Performance

The Board noted the update from the Management Team (MT) on recent activity in line with the annual Operating Plan and our mission to Promote, Develop and Unite, but in the context of the current wider issues we are facing due to the Covid-19 pandemic.

Financially we are doing well, the Board scrutinised the financial update which provided information up to the end of quarter 3 of 2020. The forecast provided to the Board in July is still up-to-date and there are no new risks or issues to report. An update was provided to the Board on the continuing scenario and resilience planning work being undertaken by the MT.

We continue to provide a wide range of support and guidance to members related to the impact of the pandemic, specifically HR and governance advice and a range of webinars and briefings. The Board also received information on our policy work over the last period which has included feeding into Conservative MP Danny Kruger's report on supporting communities/civil society and social enterprise in the Covid19 recovery, feeding into the Building Societies Association's report on rebuilding the economy with a focus on mutual forms of business ownership, which was launched on 29 September and launching a new report highlighting how Scottish Co-ops have responded to the Covid crisis at the online Scottish CPG meeting in October.

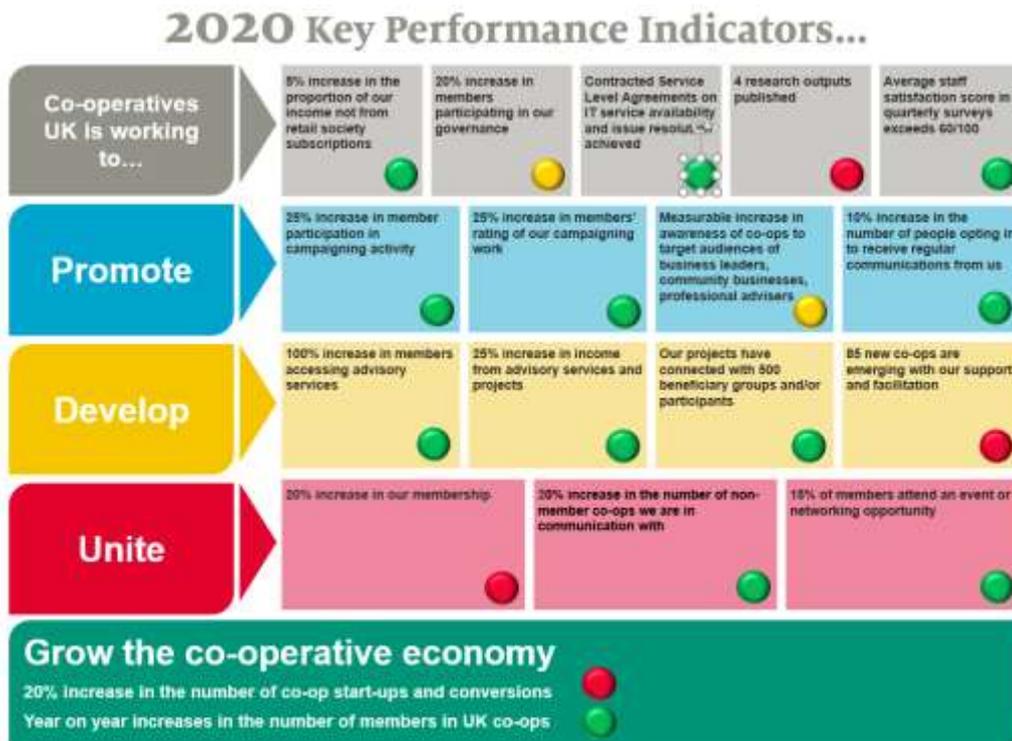
The 2020 Internal Audit process has been conducted over September with the final report being delivered to the Audit & Risk Committee Meeting in November. The internal audit topic this year was assessing the carrying values of our investments.

The Board received an oral update on our work following on from the New Force initiative. As chair, Don Morris has been working to build relationships with the chairs of the other infrastructure bodies and we continue our discussions with The Co-op.

The Management Team confirmed that despite changing the direction of much of our work, to better support members, through the pandemic we are still performing well against our Operating

Plan and to budget. The Board discussed our KPIs and heard that we are on track for a majority of these KPIs with 11 of these marked as on track to be met (see graphic below).

- Our KPI targets around increasing the number of co-ops in membership and research outputs are not expected to be met, this is due to the impact of covid19 and furloughed staff.
- Democratic member participation has not been at a level we hoped to achieve. As discussed at the September Board Meeting this KPI will not be retained for 2021 and instead the Governance Committee will consider alternative options for encouraging and measuring democratic member participation.
- We are unlikely to achieve our target of helping 85 new co-ops to emerge through our support as a result of reduced numbers of engagements and pivoting available resources, such as the Hive, to supporting existing members through the current crisis.



2021 Priorities

Earlier in the year the Board agreed to extend our current three year strategy – that was due to end in December 2020 – for one further year. This decision recognised the fact that we are operating in uncertain times with regards to the pandemic and economic uncertainty. The Board and MT also agreed that it would make sense for a new Chief Executive to lead the organisation through a period of developing and implementing a new three year strategy for the period 2022-2024.

The 2021 Operating Plan and KPIs which was developed in an iterative process involving all staff and the Board was signed off by the Board.

Diversity & Inclusion

The Board was presented with, and discussed, a report compiled by ChangeOut - 'Putting Our House In Order' - who have been working with us, alongside Power to Change, Plunkett Foundation and Locality on equality, diversity and inclusion (EDI). Following an extensive consultation with staff from all four organisations the report makes a series of recommendations to take forward for internal action. The Board confirmed the importance of this work and agreed that a separate Board session should be held before the end of the year to discuss our strategy in relation to it more detail. Three recommendations related to Board action that came out of the report were agreed:

- Joint EDI training programme for staff and board
- EDI Key Performance Indicator reported to boards
- All four boards to meet on EDI

Risk Management

The Board reviewed and discussed the organisational risk register and our top quadrant risks. This forms part of the Board's role in overseeing our risk management processes and internal controls. Specific risks around Brexit were discussed and the Audit & Risk Committee were tasked to review our risk register in relation to the transition period and a potential no deal Brexit. The Board also asked the Audit & Risk Committee to consider the development of a risk register for the Movement in addition to the Co-operatives UK one. Both will be considered when the Audit & Risk Committee meets in November.

Appointment to external Board seats

The Board appointed Phil Hartwell to take its appointed seat on the Co-operative Press Board at its September Meeting. The Board approved the appointment of Wendy Carter, Head of Marketing & Communications to its appointed seat on the Heritage Trust Board. The Board discussed its previous decision not to appoint to the Co-operative Party NEC and considered whether filling the seat would mean that Co-operatives UK lost its non-party political stance particularly with regards to applying for external funding. The Board agreed to come back to this decision at a future meeting once more information could be provided on impacts.

Work updates

The Board received an update on plans for our 2021 events, including an online Retail Conference. The Board will continue to be kept up to date with plans as Government advice changes on large gatherings and face to face contact indoors.

Tim Knowles provided a comprehensive update on the HR Services provision following its transfer from The Co-op in 2014. This works goes from strength to strength and the Board congratulated Tim and Team for their work.

Our Governance

The Board agreed a revised Schedule of Matters Reserved for the Board, the Standing Orders for Board Meetings and Execution of Deeds Policy that were recommended to it by the Governance Committee, copies of which can be requested by members by emailing secretary@uk.coop

