

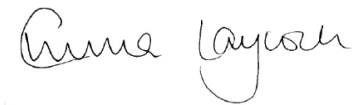
Co-operatives UK Board of Directors

Update on Key Decisions

February 2021

The Board of Directors of Co-operatives UK met on 3 February. The agenda included a range of strategic topics for discussion. This was the first Board meeting attended by Rose Marley in her capacity as CEO, she was welcomed to the meeting and to Co-operatives UK.

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



Emma Laycock
Interim Society Secretary

CEO

The Board signed off the CEO 2021 Objectives that have been developed in conjunction with, and agreed by, Rose and the Chair, Don Morris.

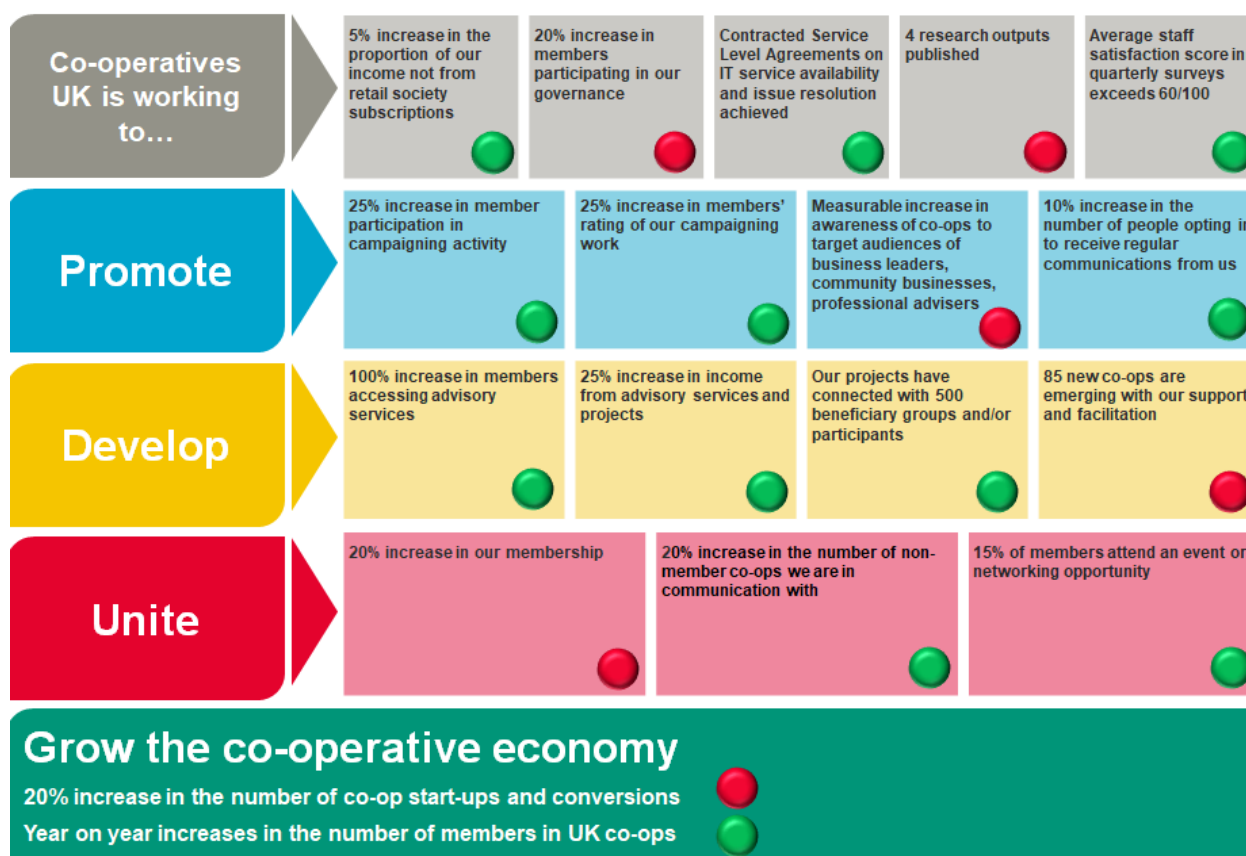
Rose Marley provided a presentation on her early reflections having been in post for one month. She spoke to the Board about her vision to stabilise and re-build and the areas she will prioritise including her discussions with our retail society partner members, the 2022-2024 strategy, Holyoake House, promotion of the co-operative model and how we will affect Government policy development. Rose thanked everyone for the very warm welcome she has received.

Rose also gave details of her vision for Holyoake House and provided a timeline for completion, along with the decision making process, including generating finance, looking at funding opportunities and the development of a plan of works. The Board agreed to the timeline and there will be a Holyoake House Board workshop in March to discuss the proposals in more details.

Operational Performance Update

The Board noted the update from the Management Team (MT) on performance against the 2020 Operating Plan and the Board set KPIs. The Board noted that the organisation had performed really well especially in the context of the current wider issues we are facing due to the Covid-19 pandemic.

2020 Key Performance Indicators...



We met targets on twelve of eighteen KPIs last year. We exceeded the target for income diversification, as a result, 54% of our income now comes from sources beyond the subscriptions paid by retail society members. This continues the trend of recent years in building our ability to attract income; a primary focus of our current strategic plan which reflects the Board's ambition for us to be more financially sustainable and deliver value to members. Against a stretching income target of £670,800, the staff team has generated £848,807 income from services and (net) projects (exceeding the 2020 target of £780,000). These flow through to successful financial performance, likely to be reflected in a positive financial out-turn in our accounts of around £75,752 well above the budgeted position. We met the KPI to increase the number of members accessing our advice services. We have consistently met the targets over the last three years. We saw many new members accessing our support during the pandemic in particular through attendance at webinars and online training courses. Although we did not meet the target for '85 new co-ops are emerging with our support and facilitation'. We did, however, achieve 78 only missing the KPI by 7 which demonstrates the team's commitment and effort to this KPI especially in the current context.

You will note that we did not meet '20% increase in members participating in our governance' this KPI has consistently not been met. We recognise the importance of our members being involved in our governance and so the Governance Committee has taken an action to look at this more closely and recommend new methods of participation and ways that our members can be involved with our work. The impact of furloughing staff and the pandemic has resulted in us not meeting the KPI of publishing 4 research outputs. Shifting our focus to support members in response to the pandemic resulted in high engagement with the target audiences, of professional advisers and community businesses this year, but not in the measurable and targeted way that we planned, resulting in a lack of measurable baseline data to meet this KPI. Likewise, the 20% increase in membership has been extended to 2021. This is due to prioritising support to existing members and therefore reduced the focused on recruitment campaign.

2020 saw us face challenges that we couldn't not have for seen, but we faced them head on and provided support, guidance and assurance for not only our members but also our colleagues. In 2020 saw many highlights including the initial response during the first lockdown, captured in our

[impact report](#). Alongside successfully meeting a majority of our KPIs, including exceeding our income from services and (net) projects. We also moved quickly to provide this advice and also consulted with members to inform policy work - lobbying and campaigning on behalf of the sector.

As we move into 2021 with a new CEO in place we feel confident that we can continue to build on the success of 2020 and Co-operatives UK will move from strength to strength.

Financial results and forecast

The Board noted the management accounts to 31 December 2020, with a surplus of £75,752 for the 2020 financial year. The forecasted surplus was £30,290 which means overall we were £45,462 ahead of target by year end. This is all considering the year we, and the Movement, has had. The Board also discussed the additional challenges we faced in 2020: two new members of MT joined - including the recruitment of a new CEO; we swiftly moved into action to support our members during the pandemic; we had more members at the end of the year than when we started; we put a new finance system in place; we developed our website; we had an interim society secretary; we met our chargeable services targets; maintenance work on Holyoake House continued; all with 7 members of staff on furlough.

2021 Board Elections & AGM

The Board noted the Board places up for election or appointment and their associated election categories. The call for nominations will open on 24 February for six weeks and the elections will then open subsequently on 28 April. Details of the nomination and election processes can be found [here](#). The Board took the formal decision that the AGM will take place on Friday, 25 June and that it will be held virtually.

Co-operatives UK places on the Co-op Party NEC

Following a discussion at its October Meeting, the Board had asked Rose to consider, and make a recommendation to them, whether or not she felt that she should take up the reserved (non-voting) seat for the CEO of Co-operatives UK on the Co-op Party NEC. Rose provided details of the assessment that she had done and made a recommendation that she does not take the seat. She felt there is no clear benefit to taking up the CEO seat as there does not appear to be anything that cannot be achieved without it, and confirmed that she should work on growing and improving the relationship that we have with the Co-op Party whilst remaining politically neutral. The Board agreed with Rose's recommendation that she does not take up the seat. The Board did not make a decision, at this time, as to whether to appoint to the (voting) place reserved for a Co-operatives UK representative.

Risk Management

The Board considered the complete risk register and asked the Management Team to reconsider impact and likelihood scores for several risks. Eddie Thorn, Chair of the Audit Committee, also provided details of a new risk that has been included in the risk register related to the impact on Co-operatives UK of a number of our members being impacted negatively as a result of Brexit simultaneously. This risk will be owned by Rose.

Board fees

The Board agreed that no increases would be paid to directors in the 2021/2022 governance year. This decision was made following a recommendation by RemCo that due to the circumstances that many find themselves in as a result of the pandemic and the economic situation, the members of the Committee agreed unanimously that it would not be appropriate to recommend that the Board fee is increased this year.

Governance Updates

The Board received oral updates from the Chairs of both RemCo and the Audit & Risk Committee following their meetings in January.

This is the last time that I will draft this report as our Society Secretary, Zena King, returns from maternity leave in April. If you have any queries related to the details of this report then please email secretary@uk.coop.

Emma Laycock

Interim Society Secretary

