

April Council Newsletter



Hello from Nick

The National Members' Council was back together in Manchester on 6 April for our final meeting of the democratic year. As we said goodbye to a progressive 2018, we also said goodbye to some of our colleagues ahead of our elections: Alison Chester-Lambert, Ruth Williams and Sam Hale. On behalf of all of us, I'd like to say a big thank you for your contributions to shaping a Co-op we can all be proud of. I'd also like to recognise some of our longest serving colleagues who are retiring this year; Chris Sumner, Bob Harber and Michael Marks have 92 years of co-operative commitment between them and it's been a pleasure to work with and learn from them. We will miss you and wish you all the best.

We also continued to open our doors to our fellow co-operatives by welcoming Helen Wiseman, President of Mid-Counties Co-op, and Sally Chicken, President of East of England Co-op, to our meeting. It was great to connect our co-ops and have them with us.

This update provides an overview of the highlights and key topics we covered over the weekend. Please share it with your networks and contacts within our Society and your own. We welcome any comments and feedback, which you can send on to council@coop.co.uk.

Annual accounts update with Ian Ellis

To coincide with the release of our [2018 annual results](#), we were joined by our Chief Finance Officer, Ian Ellis, to kick off our April Council meeting and talk about the great year we had at Co-op. Ian shared that our latest results and current performance are like 'chalk and cheese' compared to where we were a few years ago. In the first year of our 'Stronger Co-op, Stronger Communities' ambition, we've made lots of progress to shape a business that does well for itself, its members and society as a whole.

As a stronger Co-op, our Food business had an amazing year outperforming the competition in both the grocery and convenience markets, with no other retailer at the same level of growth. In our communities, we were joined by lots of new members, who have been getting involved with our Co-op and have helped to raise £19m for our local causes. We also supported 1,100 young people through our Co-op Foundation, worked with our pension trustees to invest £50m in social housing, and offered the technology from our compostable carrier bags to other retailers free-of-charge to help fight plastic waste.

2018 was also a year of big changes at Co-op. Following on from our acquisition of Nisa, we've had a good start in wholesaling, getting closer to where our customers are with thousands of stores stocking our own-brand products. Our Funeralcare colleagues have worked hard through difficult trading conditions to digitise the business and offer new



products and services that reflect the needs of customers in a fast-changing market; Ian was pleased to share that Simplify Probate has successfully integrated into the business and is performing well as part of our newly-created Life Planning division.

The announcement of the sale of our Insurance business brings the opportunity to provide more products that our members want, of a higher quality and at cheaper prices. Ian reassured us that safeguarding as many jobs as possible has been and continues to be a priority.

The progress made in 2018 puts us in good stead for going from strength-to-strength in 2019 and beyond. We've made massive investments in our estates and have promising ventures lined up, and I'm excited to see what the future brings for Co-op.

Remuneration report update with Stevie Spring and Lesley Reznicek

It was a pleasure to hear from Stevie Spring, Chair of our Remuneration Committee, and Lesley Reznicek, Chair of our Remuneration Working Group, at our meeting. As a collective, Council Members, Member-Nominated Directors and Independent Non-Executive Directors have spent the last three years making sure our approach to pay - at all levels of our business - fully reflects our values and principles.

Stevie shared that this is our fourth year without an annual executive pay increase, instead choosing to make pay variable and flexible around how the Co-op performs. The main focus for the committee and working group has been on making sure that we retain our colleagues as they become more attractive to the outside market, continuing to recognise them for what they do. Most recently, a 5% pay increase for our frontline colleagues and apprentices was secured - taking our minimum wage for hourly pay rates up from £8.00 to £8.57.

Thank you to everyone for continuing to devote their time and expertise to making the pay process fair, balanced and a better way of doing business.



Directors' Forum

We held another informative forum with our directors, with Gareth Thomas, Chris Kelly, Stevie Spring and Ian Ellis answering a wide range of questions. Council Members addressed the topics of the integration of new IT systems, discount on reduced items, the 5+1 offer, our 'Safer Colleagues, Safer Communities' campaign, and embedding our values and principles into all our operational processes.

People Function update with Helen Webb

Before lunch, we welcomed our Chief People Officer, Helen Webb, to her first Council meeting. Bringing to life the people element of 'Stronger Co-op, Stronger Communities', Helen and colleagues in our People Function have been busy doing lots of research with colleagues, members, our Board and partners into the world of work to plan for the future and what's happening around us.

Prioritising HR activity and tools, the team have pulled together six areas of focus. These look into leadership capability, supporting colleague health and financial wellbeing, improving colleague engagement and recognition, being more inclusive, and apprenticeships that support lifelong employability.

From our mental health toolkit to removing bias in recruitment, lots of progress has been made so far and Helen shared 2019 will be the year we support our leaders to be role models for colleagues and Co-op. I'm looking forward to hearing more at our next update.

Community update with Rebecca Birkbeck

Our community plans are an integral part of our ambition and it was great to have our Director of Community and Shared Value, Rebecca Birkbeck, join us to talk about the work her team have been doing and what's to come in 2019.

Rebecca shared the fantastic news that more than 1.2m members have chosen a local cause this round, which is up 59% from the last one. While we're on the right track, we still need to better connect the things we do and stand out from our competitors - making sure we're truly expressing our unique co-op difference. In recent months, colleagues in our Community team have been running lots of workshops and carrying out research involving 10,000 members. The aim of their work was to identify three areas where we can make an impact on community wellbeing. Members told us that they'd like to see us supporting them with community spaces, mental and physical wellbeing and education and skills - giving us feedback on how we could make a real difference.

This focus for our community plans is already proving to be a natural fit with our existing community activities and will play a key role in helping us to deliver 'Safer Colleagues, Safer Communities'. Council is really excited to see how this work comes to life in 2019, joining people together to encourage lasting change, and I'm pleased to say that we all fully supported Rebecca with her recommendations for our next campaigns - we'll keep you updated on how things progress.

Annual General Meeting (AGM) motions

Ahead of every [AGM](#), which will be held in Manchester on 18 May this year, Council reviews and responds to the motions submitted for members to vote on. We also have the chance to draft and submit our own motions. It's a great way to debate and discuss as a collective and give our input on key areas of focus for the business.



Friday Night Live: Dementia Friends session with Jeremy Hughes and Hazel Blears

Continuing our new Friday night tradition of networking, learning and good food, we were joined by Chief Executive of Alzheimer's Society, Jeremy Hughes, and one of our Member-Nominated Directors, Hazel Blears, ahead of our meeting on Saturday. Hazel is a passionate ambassador of Alzheimer's Society and it was great to have her with us to introduce Jeremy and our [Dementia Friends session](#).

The sessions are a moving and empowering way to educate people on what living with dementia is like and how we can all do more in our communities to change the way we think and talk about it. As Council Members are integral parts of our communities and Co-op, I think they'll make great champions for this amazing cause.

Nick Crofts

President of the Members' Council

A handwritten signature in black ink that reads "Nick" with a stylized flourish underneath.



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