

To: Members' Council

CO-OPERATING FOR A FAIRER WORLD

At the forthcoming Council meeting on 25 September, members will have the opportunity to hear about progress in the development and delivery of the Co-op's Vision, Co-operating for a Fairer World.

A number of pre-read items have been prepared which it is hoped will help facilitate a productive session, which will include ample time for discussion, questions and answers on the day.

The main focus for the session will be the role that our Community Plan plays in support of our wider Vision. There is of course a strong link to the Co-op's Membership proposition, which is perhaps the key driver for our Vision. We are going to reform the Membership Advisory Team – this has previously been a great route for colleagues to obtain input and feedback on early thinking.

As well as a pre-read deck which sets our Vision in context and highlights the key missions, funding streams and community assets, we have also prepared a short video to show the recent areas of progress.

In advance of Council, key areas of interest have been discussed with the Member Participation and Community Joint Working Group (JWG) and Senate, focusing on the development and delivery of our plans and some planned changes to how some of our activities are funded. This was based on discussions held with the Group Board in May. Individual Council members have also provided helpful input to ensure our plans are clear. For completeness, we are sharing in appendix, the paper presented to JWG and Senate, which as a result of these discussions, has been updated to provide some additional information about our planned approach to funding.

September 2021

Community Plan Overview

September 2021

Private & Confidential



What we'll cover:

Our Community Covid-19 Response

Our evolved Community Plan to deliver our Co-op Vision

How we are funding our Community Plan

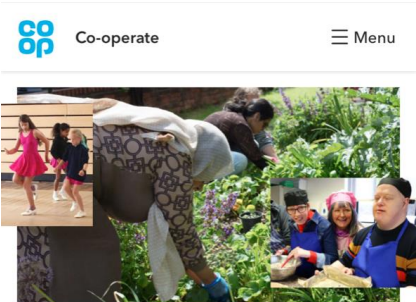
An overview of each community mission

How our community assets help deliver our Community Plan

Our Community Covid-19 Response

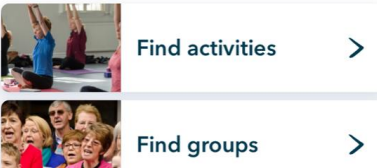
Before the crisis our insight informed our Co-operate 2022 plan that was launched at 2019 AGM and activities were well underway

Our Community Assets were lined up behind this plan



Activities and groups that support your community

Whether you want to find an activity, join a group or set up your own - we can help you make good things happen in your community





And then the crisis hit us and our communities

We were able to rapidly focus on what mattered

- Supporting vulnerable people through our businesses - Fare share, bereavement support, FSM vouchers and free tech for academy students
- Securing funding - Giving £4.5M to local causes, Co-op Members Coronavirus Fund
- Getting Volunteers & Keeping Communities Connected- Launched Co-operate nationally, > 17,000 Member Pioneer hours spent supporting the effort, supported Community Shopping Scheme

ROYAL
VOLUNTARY
SERVICE

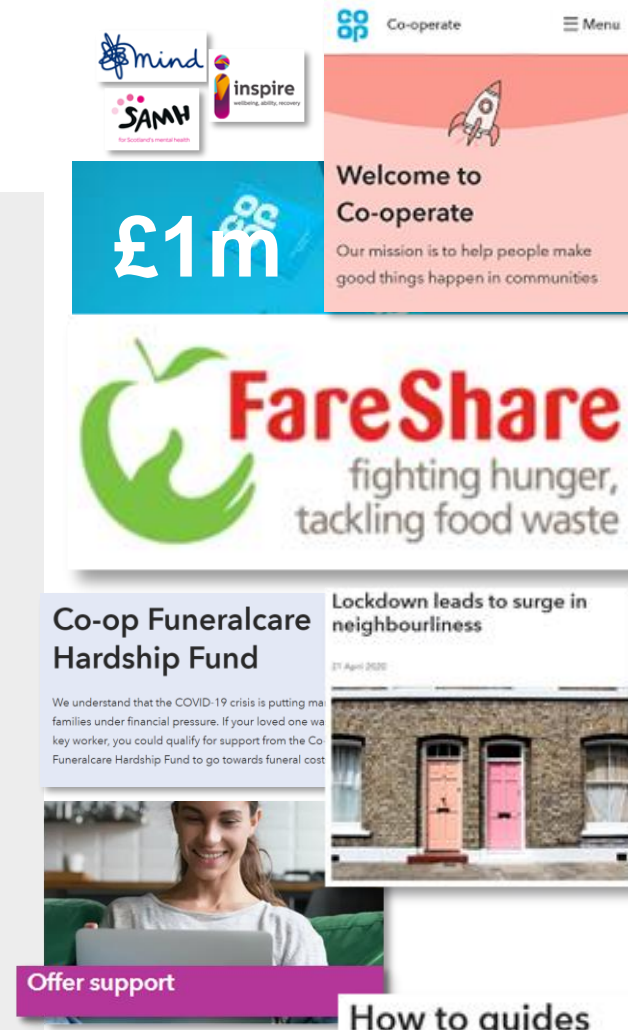
parkrun

GO
goodgym

together
in one voice

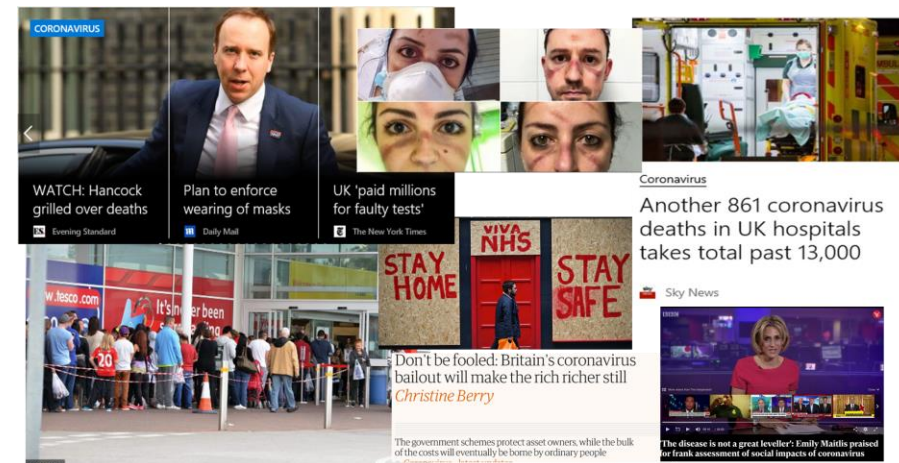
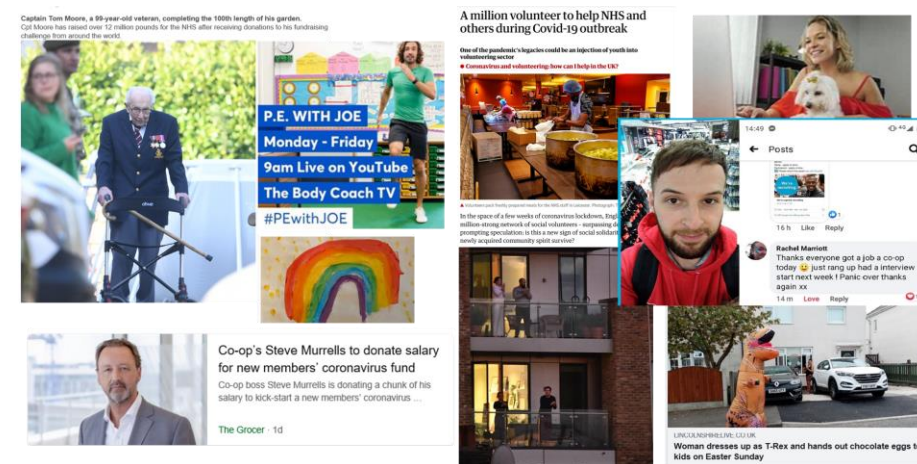


How to guides



The crisis has brought people's concerns sharply into focus

- People have struggled to meet basic needs such as access to food and shelter
- People have needed to access community spaces to manage their wellbeing and keep healthy
- The need to support mental wellbeing is increasing
- As we move into recession, the need for education and skills amongst young people becomes even stronger.
- People have been helping friends & neighbours at a hyper-local level through the crisis
- People have a renewed sense of community & want it to continue



Our evolved Community Plan to deliver Vision

We have developed a community plan to make things fairer for our communities as part of our wider vision response

Co-operating for a fairer world for...

Our Colleagues

- Colleague Safety
- Colleague Wellbeing
- Colleague Deal

Our Members & Communities

- Food Insecurity
- Mental Wellbeing
- Youth Inequality

Our Planet

- Food Waste
- Climate Change
- Packaging Recycling

Equality and Inclusion

First step being our commitments



Our community plan is focused on missions that tackle the inequalities that have been intensified by the crisis

It's not fair that...

You go hungry when there is more than enough food for everyone

You suffer alone with your mental health

You don't have access to quality education and employment opportunities

Our Missions funded our by members

Mission 1 - Fair Access to Food



Mission 2 - Fair Access to Wellbeing Support



Mission 3 - Fair Access to Education and Employment for young people



Powered by...

Membership is the umbrella to bring together Customers, Colleagues, Local Causes, Partners and Suppliers. Informed by Community Wellbeing Index and facilitated by our Member Pioneers and brought together on Co-operate - 'the home of Co-operation'



How we are funding our Community Plan

Membership evolution has doubled the difference members can make on communities

The membership card that helps support your local community, with great rewards for you too.

MORE opportunities to support communities in need through the Community Partnership Fund and continuation of donate your wallet functionality

MORE opportunities to join us and take action in your local community to create a fairer world

Fairer for our Communities Funding

Local Community Fund- 1p

Local causes, aligned to our priorities and chosen by our colleagues. Members have the opportunity to select the cause most important to them

Community Partnership Fund – 1p

Funding our internal community assets (i.e. Member Pioneers, Co-operate and Community Donations Policy) and partnerships with external organisations to tackle issues in areas of most need.

Local distribution of funds raised to local causes

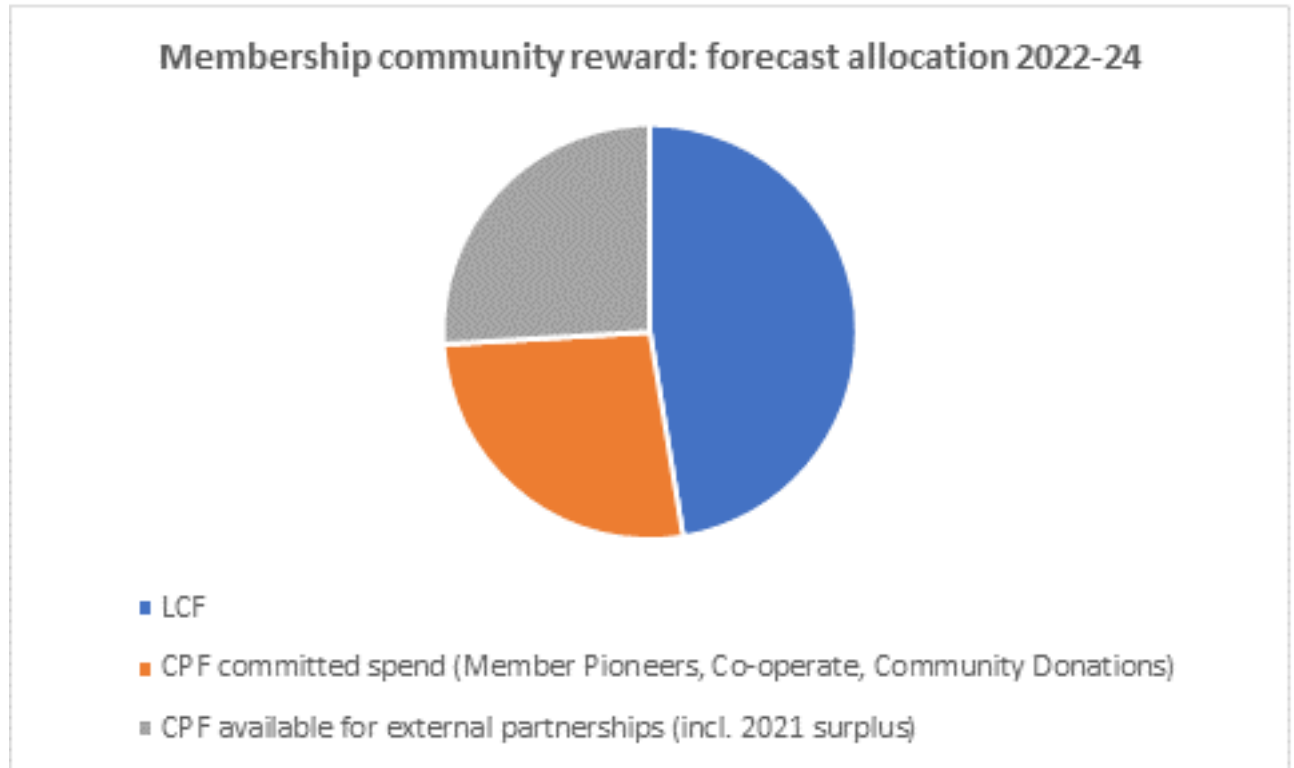
Targeted distribution with partners in communities that need it most

Members **choose** their local cause

Members **shape** how the fund is delivered via Join In, Co-operate and Member Pioneers

Community funding: 2022-24 forecast

- From 2022, the 2+2 membership proposition is continuing, and it's proposed that some existing activity (Member Pioneers, Co-operate, and Community Donations) will be supported through the "additional 1%".
- The Local Community Fund is not affected by these changes.
- We're projecting circa £75m over the next 3 years - half of the available sum will be directed to the LCF, with the remaining sum directed to the Community Partnerships Fund and divided broadly equally over 2022-24 between supporting external partnerships and meeting the costs of Member Pioneers, Co-operate and Community Donations.



Local Community Fund

- Local Community Fund was launched in 2016 and has since enabled Co-op members to support more than 25,000 local projects with £75m+ funding.
- More than 2.25m Co-op members have chosen to donate their 1% community reward to a local cause that matters to them since 2016, and we are on track for 1m+ cause selections in the current 12-month round.
- The last application round (May 21) attracted 10k+ local causes and we will welcome our new causes in October to support 4,500+ projects aligned to our community missions.
- Co-op colleagues who live and work across the UK select which eligible causes will make the most difference to their local community and should take part in the fund. This process is being co-ordinated by Member Pioneers in 2021.
- Causes are provided with promotional resources to encourage Co-op members to choose them and survey responses show that 95%+ promote their involvement in the fund in this way.



Community Partnership Fund

- Our Community Partnerships Fund (CPF) is funded through the “extra 1%” of community reward through Membership. £8.2m has been generated for the CPF since October 2020, including £116k from members donating their personal reward.
- To review proposed partnerships and check that they meet criteria for investment, we have established a **CPF Advisory Panel** including senior Co-op business leaders and representatives of our Members’ Council and Young Members’ Group
- To date, £6.6m has been committed to be invested across five initiatives:

Mission	Partnership	Commitment
Wellbeing	Mind, SAMH and Inspire	£1.5m
	Cruse Bereavement	£500k
Food	Hubbub	£500k
Youth	Youth Endowment Fund	£1.6m
Across missions	Co-op Foundation	£2.5m



Community Mission – Fair Access to Food



Fair Access to Food – Our Mission Approach

Co-operating for a fairer world means that we have a responsibility to play our part in creating the environment that enables people to help themselves. This a complex and multi-faceted issue and so we would be working to create a model at a local level which can be adapted by local need but acknowledges and reinforces the role of co-operation. In short, our trajectory is to do everything we can to meet needs with our food surplus whilst building activity that helps move people from reliance on food aid to sustainable community solutions.



We will align with campaigns for change that help level the playing field for access to food, such as Marcus Rashford's End Food Poverty Taskforce.

We will move people up the food ladder by building capacity to help local communities increase resilience and have agency over their own food journeys.

We will do everything we can to optimise Food Share, to make sure that any food fit to eat is used well, linking to local partners.

Access to Food

What are our outcomes

Overall outcomes:

- 1. To increase food redistribution
- 2. Move people up the food ladder through community solutions

Food Ladder Rung 1 - Catching

- Redistribute 3m meals through Hubbub fridges by end Q4 2021 (outcomes up to 2023 in development)
- Drive Food Share through Co-operate Digital Discovery and Microsoft Pilot by end Q4 2021



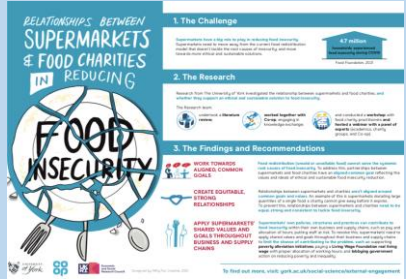
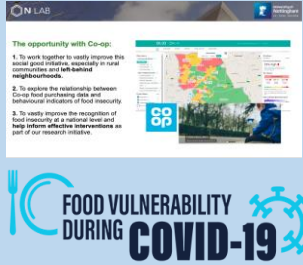


Food Ladder Rung 2 - Capacity Building

- To create over 500 community hosted food choice solutions by end 2023
- Agree extend and expanded partnership with hubbub by end Q3
- Agree second Community Partnership Fund partner by end Quarter 4
- Increase awareness and understanding of community solutions to Access to Food

Food Ladder Rung 3 - Campaign for change

- Enabling 12,000 organisations to support Marcus Rashford's Food Poverty Taskforce with social media and physical activities

Key Activity

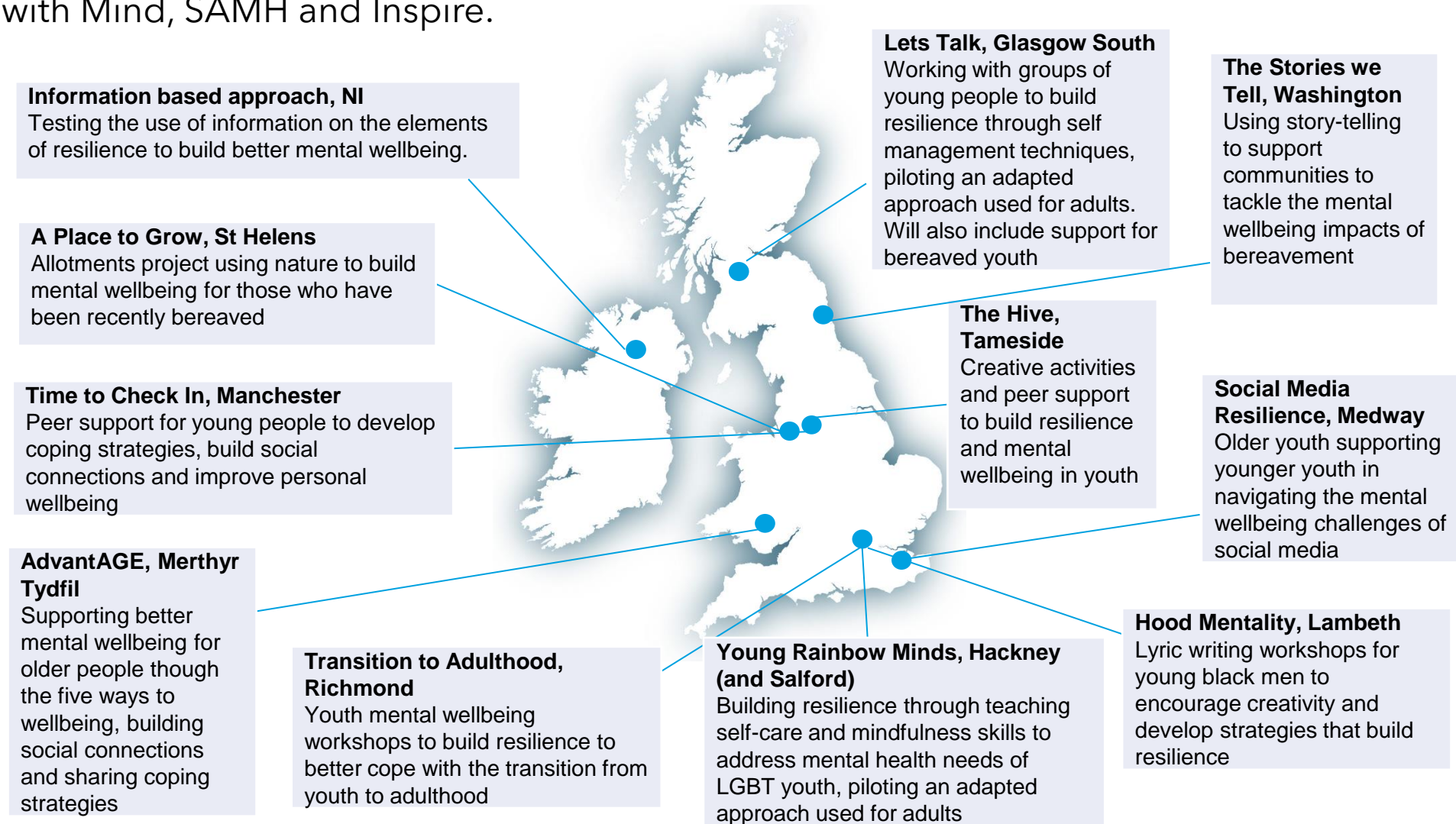
<div>Community Fridges</div> <div></div> <div>Launched Hubbub Partnership. 26 fridges launched, first 50 locations identified. 50th fridge (Sept) for 100 fridge partnership redistributing 1,250 tonnes, supplying 3m meals.</div>	<div>Healthy Start Awareness</div> <div></div> <div>Working with Marcus Rashford and Tom Kerridge to move approach to Healthy Start vouchers from Top Up to Take Up, in line with National Food Strategy and Campaign approach</div>
<div>Research on the role of food businesses</div> <div></div> <div>Working with the Food Ethics Council and York Uni as partners in research on the work of food companies on issues of food and poverty, change over the COVID-19 crisis and where to go next</div>	<div>Research on food security</div> <div></div> <div>We are working on a pilot with Nottingham University to utilise anonymised shopping data to identify food security at neighbourhood level. In addition, we are working with Sheffield Uni to look at those with lived experience of accessing food with stakeholders w. policy/practice expertise</div>
<div>Food redistribution</div> <div></div> <div>In discussion with Microsoft and Hubbub around how to improve the food redistribution experience for communities through initiatives like our own Foodshare scheme. Engagement on a potential 120 store trial.</div>	<div>Partnership Exploration</div> <div></div> <div>Currently in discussions with Your Local Pantry as a potential new partner. They offer membership to local buying groups to bring dignity and sustainability to access to food and are interested in exploring the co-op model for their members</div>

Community Mission – Fair Access to Mental Wellbeing Support



Fair Access to Mental Wellbeing Support - Our Mission Approach

Our aim: To develop community solutions to support mental wellbeing, improving access and making lasting change on the issue. As an example, the services listed below are the 12 pilot services we have delivered with Mind, SAMH and Inspire.



Buddies and Ballers, Coventry - building resilience in young people through mentors and physical activity.. Funded by Severn Trent Water.

Access to Mental Wellbeing Support

What are our outcomes

Signpost over a million people to mental wellbeing support

For example, through posters in customer facing sites, bereavement leaflets and Co-operate. Over 500K signposted.

Support 10,000 people to improve their resilience and mental wellbeing through our new partnership services

Over 3K people supported to date. 12 pilot services live, 17 more new services began set up in July, including many with a focus on youth. A further round will start set up from October (including a mix of pilots that successfully apply to continue and more new services).

Make a lasting change on the issue

Using new insight from our services and research, e.g.:

- Public policy change
- Community responses embedded in partner strategies
- Upskilled community sector
- Our business responds - for example through bereavement support in Funeralcare

Key Activity

<div>Fundraising</div> <div></div> <div>We have raised £6m+ to date for our charity partnership with Mind, SAMH and Inspire, including a donation of £1.5m through the Community Partnerships Fund, and are now working towards an extended target of £8m by June 2002.</div>	<div>Rollout of services</div> <div></div> <div>Over 3K people supported to date. 12 pilot services live, 17 more new services began set up in July, including many with a focus on youth. A further round will start set up from October (including a mix of pilots that successfully apply to continue and more new services).</div> <div></div>
<div>New Bereavement Partner</div> <div></div> <div>Launch our new partnership with Cruse to mobilise communities behind bereavement support during Grief Awareness Week (2-8 Dec)</div>	<div>Advocacy</div> <div></div> <div>Launch of research we have conducted with Mind, SAMH and Inspire in Oct. on what makes mentally resilient communities supporting our social mobility campaign and highlighting policy change</div>
<div>Time to Talk Day</div> <div></div> <div>Partnering with Mind on Time to Talk Day 3 Feb to reach vulnerable/those who don't ordinarily engage in mental wellbeing support</div>	<div>Colleague/member signposting</div> <div></div> <div>Signposting to mental wellbeing support for colleagues and members in our mental wellbeing mission comms like our Be Kind to your Mind guide that highlights Co-op and partner activity and advice</div>

Community Mission – Fair Access to Education and Employment
for Young People

Fair Access to Education and Employment – Our Mission Approach

Our aim: To provide transformative opportunities for young people to change their lives and the world around them

Be Heard

Changing the narrative around young people. Amplifying young voices. Young voices informing decisions.



100,000 young people having a voice and being heard

Make a difference

Providing young people with the skills and resources to take action on the things they care about in their communities – and in turn develop the essential skills for employment.



10,000 young people making a difference and developing essential skills

Access opportunities

Opening up access to opportunity. Connecting young people into employment.



2,000 young people access new opportunities

We're looking for talented young minds to join our Co-op Young Members' Group.

Help us champion young voices. Apply at www.coop.co.uk/youngmembers

You said, we listened

Over half	1 in 4	60%
of 16 to 25 year olds 'keep' or 'share' their passion	of 16 to 25 year olds say that a new job looks 'rewarding' and 'fun' because there is much competition	of 16 to 25 year olds say that a new job looks 'rewarding' and 'fun' because there is much competition
Feelings change. Doing small things can make a big difference to your health and wellbeing	You can change. Take your first steps with volunteering and apprenticeship opportunities	This can change. Take your first steps with volunteering and apprenticeship opportunities
Improve your mental wellbeing →	Help on food communities →	Go to Co-op apprenticeships →

YOUTH ENDOWMENT FUND

KICKSTART SCHEME

co op LEVY SHARE Supporting Apprenticeships

Access to Education and Employment for Young People

What are our outcomes

Mission Goal:

For young people to have greater access to opportunities (e.g. employment) as a result of participating in co-operative initiatives that enable them to be heard, make a difference and develop the essential skills for employment.

By end 2022 we will:

Through direct services and initiatives:

- enable 6,000 young people in our communities to develop skills which improve their own futures at the same time as making a difference to the future of their community.
- enable 2,000 diverse young people a year to access employment opportunities both at Co-op and our levy-share partners
- demonstrate co-operative models which are proven to work and influence transformative change for young people in our communities.


Through harnessing our youth assets (e.g. young colleagues, academy students, young members)

- Enable 100,000 young people to have a say and be heard

Key Activity


YEF - PAC Peer Action Collective

The Peer Action Collective is a £5.2 million programme, which aims to give young people the chance to make their communities safer, fairer places to live. It is funded by Co-op, the Youth Endowment Fund, the #iwill Fund.



PAC – Youth Voice and Campaigning partner

We are appointing a specialist Youth Voice and Campaigning partner to the PAC. This partnership will be solely Co-op funded and will help to get youth voices heard.



Kickstart

We are taking on 150 Kickstart colleagues at Co-op on 6-month placements. Our offer includes young people having the opportunity to do 8 hours a month in their community..



Apprentice Levy Share


Levy share supports apprenticeships for individuals from under-represented groups. The Co-op is working with other employers to bring together funding to support thousands of apprenticeships, with the fund paying for the training and assessment of apprentices.



Virtual Work Experience

5 weeks of virtual work experience for Co-op Academy students and other schools

- 1,500+ students attended
- 7,000 student interactions across the programme



New Employability Partnership

We are working through plans with our People team to develop the employability response to our mission and to join forces with partners in this space to open up access and create more opportunities for young people.

How our community assets help deliver our Community Plan

Member Pioneers are working with others across our Co-op

Member Pioneers joining forces



Member pioneers are working alongside our frontline colleagues and Council members to activate their family and friends, members and their communities to create local momentum behind our vision.

Examples of where this is already happening



Proactive Communities in Rattray & Blairgowrie needed contributions to help their four community larders and Saturday lunch club. The **Member Pioneer supported them** to become a Food share partner, resulting in a significant reduction in surplus food at the **two local Co-op stores**.

The St Helen's Mind team welcomed MP Sandra, and Mike from the Lea Green Depot to help with weeding and planting. The allotment is a safe haven where volunteers and Mind members can enjoy being in the open air, working with nature, and exercise in a safe and welcoming environment.



Due to Covid-19, funeral arrangers were no longer able to visit care homes to show how memory boxes help stimulate conversation and aid recollection. **MP Melissa in Ilkley** proposed the **Funeralcare** film a short video about how to use them. She is now in the process of rolling this out to other local nursing homes and adapting ideas for memory boxes to suit different people and groups.

Our community assets are powering our missions

Member Pioneers

We define the role of our Member Pioneers to 'catalyst, connect and communicate' on the ground in communities:

Catalyst - drive engagement with key programmes (eg. LCF and Foodshare), support roll-out of national initiatives (eg. Hubbub, MIND partnership) and align local grass-roots, community-led opportunities with missions

Connect - develop local forums, deliver 300 Join In Live Local events and support a One Co-op network of colleagues, council members, causes and co-operatives

Communicate - storytelling about the impact locally, brought to life the social media and connecting to Co-operate.

Example key activities Member Pioneers are supporting:

Community Fridge Launches



Mental Health Awareness Week

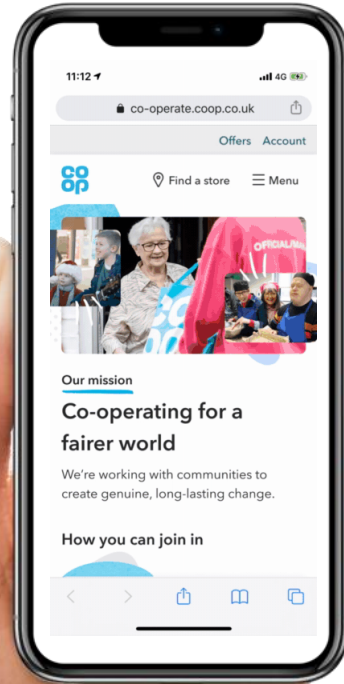


Co-operate

Co-operate will act as **the front door into our missions**, providing the functionality to enable colleagues, members, local causes and our partners to contribute and participate locally. Prototype below shows how we will bring our Access to Food activity together.

LCF /Co-operate application merged

The new application process for LCF also now includes causes setting themselves up on Co-operate at the same time as they apply for funding. This allows us to capture the support our causes need beyond funding. As a result we now have over 12,000 groups on the platform, related to our missions, that our colleagues and members can connect with locally.



Local Community Fund

Local causes aligned to missions

Round 7 cause application criteria have been aligned to our missions. We'll support community projects that...

- enable people to access food and co-operate together to feed everyone
- help improve people's mental wellbeing
- offer young people opportunities to develop new skills and make a difference in their community

We have received over 10,000 applications for round 7 and have seen over 970k cause selections in round 6.

Co-op Academies

Access to Education and Employment

- Co-op Young Business Leaders – 20 students from Connell Co-op College on 1 day per week paid placements., plus virtual Work Experience from Co-op and our suppliers to be offered to 2500 students

Access to Well-Being

- Co-op MIND Single Trust Approach to Mental Health – launched in February across all secondary academies – 4.3k students, 1k staff and 1.2k parents participated in first consultation phase. Primary activity to be launched in Summer term.

Access to Food

- Students who don't qualify for government-funded free school meal vouchers continued to receive support from Co-op during school closures.
- First Hubbub Community Fridge launch at Co-op Academy Failsworth.

Co-op Foundation

Strategic Roadmap constructed, to bring in to alignment Foundation strategy and plans with wider Co-op vision, missions and campaigns

Luminate v2 bid – £500k of continued funding for Manchester social enterprise in digital and tech – awarded April 2021

DCMS grant used to complete Lonely Not Alone strategy and research work, aiming to tackle the stigma of youth loneliness. Young people, including Co-op Academy students, have now taken over.

Flexible £10k grants programme launched to 40 community spaces partners supported through our interest-free loans. Funding will boost existing partners' financial resilience and help them prepare for a post-covid world

Wider Movement

We are providing support for a **modern and inclusive movement that's aligned to our vision of co-operating for a fairer world** by:

- Participating actively in Co-op's Fortnight #JoinACoop
- Working with other co-ops to promote our missions (eg. Co-op Party on Food Justice) and exploring opportunities to align work with new sectors (eg. tech social enterprises supported by Co-op Foundation)
- Developing innovative co-operative solutions (eg. food co-ops pilot in Preston)

Thank you



To: Senate

THE CO-OP VISION: CO-OPERATING FOR A FAIRER WORLD

OVERVIEW

The purpose of this paper is to provide a summary of recent progress on the delivery of the Co-op Vision – Co-operating for a Fairer World - and to share how we will fund our ambitious plans over the next four years.

In delivering our Vision, we will focus on tackling social inequality in the UK and working to address climate change, activating our vision for our colleagues, communities and the planet, underpinned by our commitment to equality and inclusion.

It will be delivered in a uniquely Co-op way with membership taking a central role in powering the vision. Our research and insight tells us that members care about the issues we are addressing in the Vision and they want to become more involved and engaged. It will all be underpinned by a sustainable funding model for members and community causes and is a huge step forwards on the co-operative journey we have been taking together for so long.

Following discussion at the Board, we have shared our thinking with the Community & Membership Participation Joint Working Group, who provided useful feedback and were supportive of the approach we are taking.

We would now like to share our approach at Senate, with a view to a further session at Council on 25 September* to bring them up to speed on our approach. At the full Council session we plan to provide a wider update on how our key community missions and programmes are progressing and how we are engaging with members, colleagues and the community through our Member Pioneers and Co-operate.

** Appendix added post meeting to further explain financial impact of proposals.*

ACTIVATING OUR VISION

Based on our insight we feel there is a compelling way for us to use our values and principles to help us by converting customers to members, taking them on a journey which shifts their engagement, understanding and involvement in the Co-op.

We will also activate our Member Pioneers and our front-line colleagues as a bridge into members and their communities to encourage co-operation and create local momentum behind our vision. We will achieve this through social media sharing and advocacy, campaigning locally, volunteering with local causes aligned to our community missions and encouraging friends and family to live a sustainable lifestyle.

Over the next 3-5 years, we will focus on social inequality and climate change through:

Co-operating for a fairer world for our colleagues

We will make things fairer for our colleagues, by making sure they get a fair deal, have a safe place to work and continuing support for their wellbeing - ensuring that they can better fulfil their potential. We plan to bring our vision to life, by making progress in the following key areas:

- **Mental health:** Leading the way on health and wellbeing through colleague training, engagement, and online products and services.
- **Colleague safety:** Continue to highlight the issue of violence against shopworkers
- **Colleague benefits:** Providing modern and innovative benefits that support colleagues at a time of need
- **Diversity & Inclusion:** We will drive inclusivity into the heart of everything we do for our people, developing and delivering inclusive leadership, processes and culture.

Co-operating for a fairer world for our communities

Our community plan will support our campaigning agenda recently approved by Council focusing on how we can close the gap in social mobility, providing innovative ways for our members and communities to work co-operatively together. We plan to bring our vision to life, by making progress in the following key areas:

- **Fair Access to Food:** to increase food redistribution and move people up the food ladder, enabling them to access support with dignity. Our partnership with Hubbub will build community hubs in hundreds of communities, doubling the community fridge network to 250 and redistributing over 3 million meals.
- **Fair Access to Mental Wellbeing Support:** we are extending our Council supported partnership with Mind (Sam-H & Inspire) into 2023 to build on the fantastic engagement from colleagues and raise up to £8m, having already reached the original target of £6m in August this year. This will help transform community wellbeing services creating an integrated effort for all our businesses powered by co-operation. We expect our activity will enable thousands of people to access grief, bereavement and youth support services, and signpost one million others to tools to improve their resilience and mental well-being.
- **Fair Access to Education and Employment for Young People:** Providing opportunities to make sure they're heard, make a difference, and develop essential skills for employment. By the end of 2022, we will have built a pioneering youth network, working with partners to invest over £5m in future youth skills that encourage co-operation, diversity and inclusion, growing aspiration, and a break in the cycle of crime. We will also continue to innovate in our Co-op Academies through activities such as our Virtual Work Experience, which saw 7000 participants across 80 opportunities, and Co-op Young Business Leaders, which offers paid work placements to 6th form students as part of their studies.

Co-operating for a fairer world for our planet

Climate Change is the single biggest issue that society faces and was a key topic at this year's AGM, not least as a result of the motion approved by members. We need to respond to it as an emergency that will affect everything we do. In addition, our response to the packaging and waste challenges and responsible sourcing (e.g. soy, palm oil and Fairtrade) are priority issues that, to varying degrees, support our climate plan. Our primary commitments, supporting us to achieve our sustainability goals are:

- **Reduce or off set our carbon footprint:** Focusing on our operations to be carbon neutral by May 2021 and our Co-op own brand products by 2025 alongside an ongoing commitment to carbon reduction plans to get us to Net Zero by 2040. Alongside this, working with our suppliers and partners to hit carbon reduction targets across branded goods and services.
- **Improve affordability of plant-based products:** Making a scale investment in 'plant' based products via the Gro brand that will see parity between protein and plant-based products, which is market leading and enables sustainable food choices
- **Own brand recycling:** Meeting our 100% recycling target on Co-op own brand packaging and "zero" food waste stores before the end of 2021.

We have also 10-point climate action plan - our One Co-op holistic approach to tackling climate change. The plan sets out targets, endorsed by the Science-based Targets Initiative, to cap global temperature increases and meet the goals of the Paris Agreement, which came into force in 2016 and created a global pact of almost 200 countries to tackle climate change. We are developing a range of initiatives in the run-up to COP26 to highlight the proactive role the Co-op is playing and also using sustainability as the focus for over 100 local Join In live events hosted in stores by Member Pioneers, the precursor to the development of many local forums.

ROLE OF MEMBERSHIP – FROM VALUE FOR ME TO VALUE FOR ME AND VALUE FOR COMMUNITIES

We know that as a Co-op our members are the owners and focus of our society. They are also our most valuable customers (in spend and approval terms) and it is through our members that our difference is more greatly appreciated.

Membership is the route through which we have successfully communicated our difference (through personalised offers, communications, and community initiatives). For many members, this mixture of value and values is all they want in order to stay engaged and involved.

Our plan accepts this but also sees us build from this core relationship and shift members along the participation continuum. This will enable us to engage members in our democracy and movement, leveraging data and insight to make local connections to our other activities, increasing participation over time.

The change of meaningful membership reward to 2% for me and 2% for my community in October 2020 switched the focus from “value for me” to “value for me and value our communities” supported by personalised offers and exclusive member pricing, to reward our most loyal members.

We know that Membership is an area of particular interest to Senate and Council and discussions are underway for an advisory team to facilitate ongoing Council engagement with the positive progress in this area.

The Board is committed to retaining the additional 1% which doubled our community support, which proved to be invaluable during the Covid crisis, and acts as a key differentiator for us. However, we also need to recognise the commercial realities in which we operate and ensure that we protect our membership offer through an affordable plan. With this in mind, we are altering how we use the community element of the 2+2 proposition which will see us retaining and developing key activities whilst also addressing wider requirements to reduce costs to a more sustainable level.

CHANGES TO OUR FUNDING MODEL

As part of this plan, we wish to signal some changes to how we will fund some key activities – notably our Member Pioneer programme – which we know is of great importance to Council

The Board is conscious of the vital role played by Member Pioneers in bringing the Co-op Vision to life at a local community level, as well as MPs being the key route for delivering the “structures” which work for them and their communities as envisaged under our Rules and agreed with Council in 2016. Member Pioneers were originally championed by Council and, as the model has evolved, we have sought input and feedback from you on how best to develop our approach. This has resulted in a fully mobilised model of 1000 Member Pioneers and 100 Member Pioneer Co-ordinators covering the whole of the UK, playing a dual role of delivering our community plan and fulfilling our rules requirement for structures supporting membership locally. However, the annual cost of c.£5.5m is significantly greater than the £3.5m which was originally envisaged when the proposed model was discussed with Council in 2016. It is therefore important that we develop a funding approach which is sustainable and reflective of the central role we believe Member Pioneers play in the delivery of our Vision.

We saw the value of our Member Pioneers during the initial phase of the lockdown, with many helping to establish Covid Mutual Aid Groups at a local level. They have continued to help drive our work on Access to Food, Well-Being and Education and Skills at a local level, working with local causes and other partners to make our community missions locally relevant. We are seeing MPs developing the way in which they deliver the local structures, including through Local Forums and the delivery of scores of local Join In activities, with Member Pioneers acting as a catalyst connecting members, colleagues, causes and co-operatives with our plans and priorities and in turn sharing and promoting the values of co-operation and our democracy. We are also pleased with the development of strong working relationships locally between Member Pioneers and Co-ordinators and Council members, which we hope will bolster efforts to encourage greater participation in our Co-op.

As discussed previously, the 2+2 approach remains a real differentiator and we are keen to develop our thinking further so that members continue to see the benefit of their financial contribution to the community locally. We believe that, alongside the Local Community Fund, our Member Pioneers already provide a distinctive dimension to our membership proposition as part of our wider Co-op Vision and sharing the co-operative differences and benefits of our activity.

We are therefore proposing to fund Member Pioneers from the 2% community pot, alongside the Local Community Fund and the Community Partnerships fund, cementing our commitment to a Member Pioneer in every community supported by a network of Member Pioneer Co-ordinators as a key part of our Membership proposition. Additionally, it is proposed that our Co-operate platform also be funded through the 2% community pot. Although Co-operate is a digital product, it is designed to be an “on-line community centre” which benefits individual local communities throughout the UK. We are also planning to allocate the cost of the Community Donations to this as, again, the beneficiaries are local to the members who have generated the reward for the community.

This means that 50% of the total membership funded ‘community pot’ would fund the Local Community Fund (as is the case currently), approximately 25% would fund Member Pioneers, Co-operate and Community Donations, and approximately 25% would enable wider partnership activity through the Community Partnerships Fund.

An appendix has been added to the original Senate paper to further explain the financial impact of the proposals – this information has also been included in the briefing pack prepared for Council.

Taken together, the Local Community Fund, the Community Partnerships Fund, Member Pioneers, Co-operate and the Community Donations provide a comprehensive approach to bringing our Vision to life for members in every part of the UK. For this reason, we believe this represents the most appropriate use of members’ community contributions through the 2+2 proposition.

The consequence of funding Member Pioneers (and Co-operate and Community Donations) in this way is that there will be less resource to support external organisations through our Community Partnerships Fund than was available in 2021. It remains our ambition to work alongside other like-minded groups to deliver our plans but the level of financial resource available will need to adapt, according to the wider trading performance of the Co-op. The funding distributed to support communities through the Local Community Fund will not be affected by these changes although is of course impacted by the removal of plastic bags from our stores.

We already know that 2022 will be an increasingly challenging economic climate which is why we believe it is right to prioritise key strategic programmes which directly connect with our members, such as the Local Community Fund and Member Pioneers.

FEEDBACK FROM COMMUNITY & MEMBERSHIP PARTICIPATION JOINT WORKING GROUP

The CMPJWG considered the approach in detail at the meeting and also in subsequent discussions and are supportive of the proposed changes. The strengthened link between membership and Member Pioneers was welcomed, as was the opportunity to shape Co-operate for and on behalf of members. CMPGWG members sought and were given reassurance that the Local Community Fund would not be impacted by the changes. It was noted that the source of funding did not alter Member Pioneers' status as colleagues and that, in some ways, the new approach was similar to that taken by other societies who fund co-operative activities through distributions. It was also agreed to provide an update to Council on the wider activity funded through the Co-operative Partnerships Fund.

SUMMARY

We have an extremely ambitious programme to support the delivery of our Co-op Vision. Our plans place membership at its heart and we are focusing on two themes – social inequality and climate change – which are of over-riding concern in the years ahead. We are making great strides in delivering these ambitions and we have outlined our plan to achieve our goals in a financially sustainable way.

September 2021

Appendix 1

Community funding: 2022-24 forecast

- From 2022, the 2+2 membership proposition is continuing, and it's proposed that some existing activity (Member Pioneers, Co-operate, and Community Donations) will be supported through the "additional 1%".
- The Local Community Fund is not affected by these changes.
- We're projecting circa £75m over the next 3 years - half of the available sum will be directed to the LCF, with the remaining sum directed to the Community Partnerships Fund and divided broadly equally over 2022-24 between supporting external partnerships and meeting the costs of Member Pioneers, Co-operate and Community Donations.

