

The Cooperative Party
Exeter & Devon Branch Newsletter

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Devon Labour Party and the South West Co-operative Party Council

invite you to

a conference on Co-operative Councils

Main Speaker: **Councillor Steve Reed**

Leader of Lambeth Council in the vanguard of creating
a co-operative council and vice-chair of the Local Government Labour Group

Date: **Saturday, 8th October, 11.00pm – 3.30 pm**

Place: Exeter Labour Party Hall, 26B Clifton Hill, Exeter, EX1 2DJ

Programme: Keynote speech and questions, followed by workshops,
Report back and discussion of future policy

Lunch: Provided by the SW Party Council – please book.
 OPEN TO ALL MEMBERS

Branch News

The branch continues to be represented at community events with a stall at the Respect Festival which goes from strength to strength with a capacity crowd. The Co-operative Group, one of the Festival's main sponsors, ran some good events. We also had a stall at the August Bank Holiday Heavitree community fete. If there are other events where it would be good to have a Co-operative Party presence please let us know.

Brenda Weston led a lively discussion about the Labour Party's National Policy Forum at the June meeting – this is a forum where we need to be promoting Co-operative ideas.

Next meeting: Monday, 19th September, 7.00 a.m. (see coming events)

Exeter City Council - Our two Labour/Co-operative candidates who stood for election for Exeter City council, Paul Bull in Cowick Ward and Catherine Dawson in Mincinglake, were successful. Congratulations and best wishes for their work over the next four years. They join Phil Bialyk, Richard

Branston, Margaret Clark, Pete Edwards, Ian Martin, and Roger Spackman as Co-operative Party members of the City Labour Group.

Goodbye: Lawrence Taylor has left Exeter to move near his daughter. He has been a faithful member for many years and we will miss him.

National News

The Feeling's mutual – Sale of Northern Rock

The collective failure of the UK banking system in 2007/8 cost tax payers over £300 billion, and cost the economy £7 trillion of lost output according to the bank of England. This is too high a price to pay again. The crisis was not caused by public spending on nurses, teachers and police officers who are now paying the brunt of the cost, but by irresponsible lending. The clearest lesson of the crisis was that it is in all our interests that financial services are stable and sustainable. Never again should widespread irresponsible banking practices be allowed to threaten the UK and word economy.

George Osborne's recent decision to flog off Northern Rock to the highest bidder shows that he has not learnt this lesson. Northern Rock is crucial as it represents much of what went wrong with UK financial services. The Rock was a successful building society for decades before conservative policy in the eighties led to demutualization and shareholder take-over. Less than a decade later, Northern Rock collapsed.

UK Financial Investments which manages taxpayers' stake in state owned banks, released its annual report in July. This demonstrates both that UKFI has not understood the benefits of mutual ownership for the health of the UK economy, or the best way to return Northern Rock to its customers. Its model for re-mutualisation was based on "gifting" shareholding of the bank to mutual members. However, "gifting" is not the best model nor common practice among financial mutual and shows a worrying misunderstanding of mutual ownership.

The Co-op Party has presented a plan to return Northern Rock to the mutual sector that does represent best value for taxpayers. The members of the new North Rock Building Society would raise dated subordinated debt in the private sterling bond markets thus raising hundreds of millions of pounds to pay the government for mutualisation. Crucially the new co-operative building society would be far less likely to collapse again than if bought by a private equity entrant. Building societies hugely outperformed proprietary banks during the crisis as their ownership model incentivises low risk activities, putting customers before short-term profits.

We cannot afford another banking crisis and it is clear that the government has not learnt the lessons of the last one. Northern Rock must be brought back into the hands of its customers as a signal that success of the mutual model throughout the crisis has been recognised so that it can serve as a pillar of financial stability one again.

Credit Union RLO

The long-awaited Legislative Reform Order to modernise Credit Union law has finally been laid by the Conservative-led Government after a delay of nearly a year. The Order – a piece of legislation that does not have to go through the full Parliamentary process – will allow credit unions to attract investment from local businesses and extend services to new groups such as housing association tenants. Credit Unions will also be able to pay interest on savings so making their services more attractive to potential customers. Unfortunately because of the delay - the Order was tabled by Labour before the general election - the legislation will not make progress until the autumn so should be in place by early 2012. We look forward to a growing and vibrant credit union sector, particularly as financial pressure on families in Devon increases month by month.

Supporters Direct

With Exeter Football Club being owned by its supporters the decision of the English Premier League not to renew the funding of Supporters Direct was very worrying. It received widespread coverage in the media and led to an outcry from members of Supporters Direct, Supporters Trusts across the county and the political intervention by Labour Co-op MPs led by Tom Greatrex, MP who tabled an Early Day Motion: “That this House notes that the Premier League has declined a funding request from Supporters Direct (the national body that supports and delivers supporters' trusts); believes that this decision hindered the development of supporter involvement in running football clubs; further notes that as a result communities and supporters will be hindered in gaining a voice in the running of clubs; further notes that the Government's stated support for more fan involvement in clubs as set out in the Coalition Agreement is made more difficult; and calls on the Government to reaffirm its support for Supporters Direct and its aims by making representations to the Premier League to rescind its decision.”

The good news is that the FA have re-instated a portion of their funding, £268,000, a quarter of their previous funding. Discussions on further funding are ongoing between Supporters Direct and the Premier League.

Party News

One of the debate's at Party conference will be changes to membership subs with the standard annual membership fee set at £20 in 2012, £25 in 2013 and the option of a £30 annual rate be considered for 2014. Under this proposal the £5 first-year membership rate for Youth members will be retained. In answer to members' questions it is pointed out that that the Party's membership income is less than 10 per cent of our overall income and we are heavily reliant on a small number of co-operative organisations to provide the bulk of our funding. Our membership income must rise as a proportion of turnover if we are to build a secure and sustainable financial base for the Party. Despite the increase of fees in 2007 membership has grown by more than 40 per cent since the membership rate was increased. Currently, local

parties receive £2 for every member (at the £15 yearly rate). If the annual membership rate is increased to £20 local parties will receive £3 of that which is a 50% increase for parties per member.

Nationally concession rates are too difficult to operate, but the South West Party Council does currently have a £10 p.a. rate for unwaged members.

Coming Events:

Monday, 19th September - The next branch meeting will be on Monday, 19th September, in the committee room at Exeter Labour Party HQ at 7.00 pm. Following the branch meeting the speaker will be Linda Gilroy, who was M.P. for Plymouth Sutton until the General Election. She is the South West representative on the Co-operative Party National Executive, and will give her impressions of the Party's Annual Conference.

Saturday, 8th October – A day conference on **Co-operative Councils** will be held at Exeter Labour Party HQ from 11.00 am - 3.30 pm. Steve Reed, leader of Lambeth Council and leading the Co-operative Councils movement will be the key speaker. It is open to all members and should provide some real inspiration for developing truly co-operative approaches to local services.

Saturday, 19th November 10.30-1.00 – Exeter Labour Party Christmas Bazaar, the Corn Exchange, Exeter, where we will have a stall promoting Fairtrade. Do come along to support us.

Monday, 28th November, 7.00 p.m. – The main speaker will be the Member Relations Officer for the Co-operative Group who will tell us about the Group's work in supporting members and communities in our area.

Did you know that 2012 will be
the United Nations International Year of Co-operatives?

To help us understand what this means internationally, nationally and locally the South West Party Council is making this the theme of its annual weekend school.

This will take place at Brunel Manor, Torquay.

Saturday and Sunday, 21st. 22nd January

Contact the secretary if you are interested in attending.

Monday, 27th February – The 2012 Branch AGM will be held at 7.00 pm at Exeter Labour Party HQ. This will be followed by a reception to mark the start of Fairtrade Fortnight when we hope to have a Fairtrade banana producer as our guest speaker.