



**CO-OPERATIVES UK**

**Consultation Response from Co-operatives UK  
November 2013**

# **Co-operative and Community Benefit Societies Bill**

## **About Co-operatives UK**

Co-operatives UK is the national trade body that campaigns for co-operation and works to promote develop and unite co-operative enterprises. We have a unique role as a trade association for co-operatives. We work to promote co-operative businesses across all sectors of the economy – from retail and finance where co-operatives are most recognised to key growth areas such as renewable energy, agriculture and education. Together the co-operative economy is worth some £36.7 billion, is owned by 15.4 million adult members in the UK and has grown by nearly 20 per cent since the start of the credit crunch. Co-operatives UK has 75 per cent of the UK co-operative sector in membership.

As a significant majority of co-operatives use the Industrial and Provident Society (IPS) legal form, Co-operatives UK has long campaigned for consolidation of the relevant legislation.

## **1 Summary of our response**

- 1.1 Co-operatives UK welcomes the proposed new Co-operative and Community Benefit Societies Bill (the Bill) and recognises the good work the Law Commission has done in pulling together and reordering IPS legislation. We welcome the commission's efforts to simplify language, modernise archaic requirements, and do away with references to obsolete legislation.
- 1.2 We also pleased that the Bill accommodates various statutory instruments that will reform IPS legislation as per the recent HM Treasury '[Industrial and provident society: Growth through co-operation](#)' consultation.
- 1.3 However, Co-operatives UK is somewhat disappointed that the Law Commission has missed an opportunity, within the parameters of their consolidation remit, to make some of the amendments we have previously recommended.

## **2 Missed opportunities**

- 2.1 In September 2012 Co-operatives UK submitted to HM Treasury a report detailing where amendments could be made as part of the the process of consolidation to produce clear, navigable and modernised legislation. This report forms part of our response and can be read [here](#).

- 2.2 The following paragraphs of the aforementioned Co-operatives UK report relate to parts of the proposed Bill where we believe the Law Commission could have done more within their consolidation remit:
- Page 3, paragraph 9, “Requiring two copies...”; referring to s.3 of the Bill
  - Page 5, paragraphs 3 to 8, “7(1) was...”; referring to s.66 of the Bill
  - Page 5, paragraph 12, “Repeal as obsolete...”; referring to s.21 of the Bill
  - Page 7, paragraphs 9 to 11, “23(3) (a) & (b) similarly...”; referring to s.37 of the Bill
  - Page 9, paragraphs 2 and 3, “This section confers...”; referring to s.26 of the Bill
  - Page 10, paragraph 4, “Do subsections 36(6)...”; referring to s.80 of the Bill
  - Page 10, paragraph 5, “Is this now obsolete...”; referring to s.41 of the Bill
  - Page 14, paragraphs 4 to 8, “A key registration...”; referring to s.14 of the Bill
  - Page 17, paragraphs 4 and 5, “The reference to Part A...”; referring to s.90 of the Bill
  - Page 21, paragraphs 3 and 5, “This needs to be included...”; referring to s.134 of the Bill
  - Page 22, paragraphs 2 to 6, “An amendment is needed...”; referring to s.29 of the Bill

### **3 Beyond Consolidation**

- 3.1 Overall we believe that the introduction of the Co-operative and Community Benefit Societies Act in August 2014 will be of considerable benefit to the sector. However, we believe that co-operatives, like all businesses, benefit most from a legislative and regulatory environment that adapts and modernises as part of a continuous process. Looking beyond consolidation there is still a great deal to be done, and we must ensure that in future Government is more responsive to the needs of co-operatives, so that necessary reforms can be made in a timely and efficient fashion. We call on Government to consult on whether the current arrangements for departmental and regulatory oversight can deliver the responsive approach co-operatives need.

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