



42 GLOUCESTER AVENUE, LONDON NW1 8JD

WORKSHOP: 071-722 1728

ADMINISTRATION & DISTRIBUTION: 071-586 4806

CINEMA: 071-586 8516

SOME FACTS/SOME HISTORY

The Co-operative is a Registered Educational Charity. For the purpose of administering the BFI annual grant it is also a Limited Company by Guarantee.

The Co-operative s/elects 5 part-time organisers, engaged for a maximum tenure (see below) and whose position is reviewed annually by the membership at a General Meeting. Part-time organisers have self-employed status (Schedule D) and are designated as p.t. consultants and not as employees.

The Co-operative has one full-time employee, the administrator (subject to the terms and conditions of the BFI annual revenue grant). As an employee the administrator is taxed P.A.Y.E. and the Co-op pays the Employer's N.I. accordingly.

There is a job description for each post, which sets out the organisers' and administrator's responsibilities and duties. All persons in the pay of the Co-operative are required to abide by the Co-op's constitution, its aims, policies, procedures and job descriptions.

The Co-operative currently has 4 directors (2 is the minimum required by law) who are required to meet annually.

The Co-operative Membership annually elects an executive committee from the membership at a General Meeting. The executive committee has responsibility for overall financial matters, devising policy and co-ordination of the Co-operatives aims and activities. The committee is voluntary and is required to meet monthly. The duties and responsibilities of the committee are described fully (See Executive File).

At no point in the Co-operative's history have persons in remuneration of the Co-operative been empowered to engage or select the part-time paid organisers or to employ the Co-operative's administrator, since any paid person working for a common interest group is deemed to have a vested interest.

Paid workers cannot legally (under charity law) be involved in engaging or employing persons to fellow paid positions within the organisation.

UNTIL EGM MARCH 1991 the part-time self-employed organisers were ELECTED BY THE MEMBERSHIP at a general meeting.



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UNTIL 1983 - the maximum tenure for the part-time posts was
Distribution/Workshop - 2 years and Cinema - 1 year.
with an annual change over in each area.

AFTER 1983 the part-time posts were all extended by one year.

THE EXECUTIVE

UNTIL 1982 - 10 members elected from and by the membership annually/voluntary

AFTER 1982 - 15 members, 10 elected from the membership (voluntary)/ 5 paid.
organisers automatically become executive members on election
by the membership to post.

CHANGE IN BALANCE voluntary/paid

- a- when administrator employed (10 voluntary/6 paid)
- b. third workshop worker (10 voluntary/7 paid)
- c. courses organiser co-opted (10 voluntary/8 paid)

With regard to the administrator as a paid employee of the Co-operative, the LFMC was operating illegally, when a paid employee (also not elected by the membership) was a voting member of the executive committee. It is questionable whether the p.t. consultants, or other regularly remunerated persons could be legally entitled to be members of the executive committee (under Charity rule).

WHEN THEREFORE THE EXECUTIVE COMMITTEE WAS GIVEN THE NEW RESPONSIBILITY FOR SELECTION OF PAID ORGANISERS (as opposed to their being elected by the membership), the paid organisers could not legally be members of the executive body (Charity rule) and also because they would no longer be elected by and to act on behalf of the membership and would therefore have a different status from the elected members.

SEE THE MINUTES OF THE LAST THREE YEARS

When the proportion of paid organisers to voluntary members on the executive increased, there began to be a marked fall-off in input and participation by the voluntary members.

There was also a marked change in items proposed and discussed, both at executive and general membership level.

This reflects the actual composition of the executive at a given meeting.

THERE WERE PERCEIVED PROBLEMS WITH THE PREVIOUS STRUCTURE, besides it being considered to fall contrary to the requirements of the Charities Commission.

Commitment by voluntary members, particularly where paid organisers began to outnumber voluntary members at meetings.

The system was changed to overcome these perceived problems, which were both legal and structural.

A pattern emerged especially over the last two years where there were potentially 7/8 remunerated persons on the committee.

Attendance of voluntary members began to fall. It is conceivable that they had difficulty in participation in meetings. This is evident in the minutes.

A serious imbalance in representation began to occur, and an imbalance in interest.

a. staff concerns and interests as opposed to membership interests.

b. imbalance in representation between the 3 main areas, since only 1 vote for cinema, but 2 for Distribution and potentially 3/4 for Workshop.

this resulted in a separation rather than an integration of interests and hence practice and policy.

this is indicated in the nature of items under discussion and decisions that began to be made.

i.e. ref.

a. staffing concerns (abolition of elections, changes in staff/membership structure, discussions on limiting membership, and on limiting the power of the elected executive see AGM proposals 12.1.91)

b. cinema's voice became weakened. Workshop voice increased - many meetings at general and executive level cover workshop concerns, workshop membership, courses organisation, expansion of workshop use of the space etc.)

b. latterly the shift of power was evidenced in the request to the cinema organiser to resign, without consultation with the membership, the appointing of persons to new or interim paid positions at meetings some of which were very inquorate and all of which had a greater proportion of persons remunerated by the Co-operative than voluntary elected members. Many decisions began to be taken internally at staff level without proper consultation at executive level. The constitution, policies and previous agreed practice with regard to both staffing and allocation of finance were no longer observed.

If the membership feel that it would be advisable to have staff represented as members of the executive committee, then the above pattern should be taken into account. A balance of representation between the 3 main areas of operation as described in the constitution should be worked out i.e. equal representation of cinema, distribution and workshop. The balance between paid persons and voluntary members of the executive should be made clear, so as to avoid the paid persons outnumbering a given quota at a meeting.

And the paid organisers would have to again fall to election by the general membership, since the executive committee with paid persons involved in it, could no longer legally be empowered to appoint the self-employed staff (see charities commission rules). It is possible that the Co-operative would first have to gain the agreement of the Commission in respect of any paid persons being involved in a decision-making body with responsibility for overseeing financial matters.

THE CURRENT PROPOSALS PUT BY MEMBERS OF STAFF

give little consideration to the arguments either for or against the previous structure where staff were members of the executive or the new one, where only voluntary members are elected to the executive.

they do not take into account the legality or consequences of what is proposed.

the proposals are inadequately worded and confusing. The membership have complained at consecutive general meetings that they are unable to vote on proposals that are not clearly thought through and worded before being brought before the membership for discussion (inst. AG. 12 1 91 and EGM 9.3.91), they may again

demand that these items be returned to the executive for proper consideration at that level. It was made clear at the AGM 12.1.91 and EGM 9.3.91 that the membership required clearly worded proposals, and that sound policies could not be hurriedly cobbled together off the floor of a large meeting, particularly when all the persons at that meeting had not been provided with true and adequate information to be studied and considered in advance.

There is finally the problem of whether the calling of a meeting on the basis on which this one is called can be held to be constitutional. Whether a meeting called by five paid persons in great haste, without observing the proper procedures, i.e. discussion of the matter at executive level before hand, can be recognised.

Can it go ahead without questioning whether the membership's time is this time being well and truly wasted ?

And when there are far more urgent problems that need discussion than the dissatisfaction of 5 remunerated persons, such as the financial deficit situation, the fabric of the building and facilities and the work that is being done or not being done that affects the membership as a whole.

What does reducing the number of executive meetings from 12 to 4 per year mean ? This proposal was voted against by a substantial majority only 5 months ago. The charities commission advises that the number of meetings relate to the business to be handled, and that the number of meetings might be expected to increase if the sum of money being administered were to increase.

It is recommended that the former staff/exec, having brought the membership to so many general meetings to discuss staffing and structural, hierarchical issues, first culminating in the abolition of the elections of staff and finally moving to the election of a new executive with the new responsibility of interviewing and selecting the paid organisers and that this managing body would not include any persons remunerated by the Co-operative, that having brought these items before the membership and the membership having agreed to them by a substantial majority, that they bear with the new structure for the ONE YEAR TRIAL PERIOD recommended by the membership, after which time the advantages or disadvantages of the new structure as opposed to the previous one, will be able to be genuinely compared and amended or reversed as the membership see fit.

THE CURRENT STRUCTURE HAS ONLY BEEN IN OPERATION SINCE THE EGM OF 9.3.91

THIS IS THE FIRST GENERAL MEETING THAT HAS BEEN CALLED TO KNOWLEDGE, WHERE the provisions and procedures for calling a general meeting have been overridden. the call was made anonymously. It is understood by the executive to have been brought by five people, all of whom have a vested interest in that they are in the Co-operative's pay.

the Co-op's funds, staff time and headed notepaper were used without notice or any prior discussion or warning to the executive committee.

No notice was given of the content of the call or of the time when it was to be mailed.

No grounds for the call or further information were provided or discussion made possible at any of the executive meetings scheduled.

The call was made hastily and independently, after members of the executive had complained of an unreasonable delay in the provision by paid organisers, of necessary financial information, in order that the executive could carry out its most important remit, the agreement of the annual budget.

FINANCIAL REPORT TO EGM OF 2nd JUNE 1991

As part of my remit on the elected executive committee I have been very involved in ascertaining the present state of finances at the Co-op. This has mainly centred around setting a responsible budget with the hope of stabilising the recent decline in the Co-op's assets and possibly reversing that trend.

Looking at last years figures and doing a mini audit (which is what the accountants will be doing in full next month) the Co-op will show approx £6500 loss when everything is taken into account. Following on from the audited loss of £7500 the previous year we are in a very bad shape. The net reserves at 31st March 1991 were approximately £10,000 below zero. This is effectively financed by money held in trust belonging to film-makers or for reprinting their films or held in small amounts per individual maker (approximately £14,000 at that time). Another similar year and this 25th anniversary could be the last year of the LFMC.

What the Co-op needs is consolidation and not expansion particularly in the present external financial climate.

No one specific area is the cause of these awful figures but generally expenditure must be minimised. Items such as £2100 lost on returnable travel and postage costs in Distribution last year, or telephone bills of approx. £3600 compared with previous year of less than £2000 certainly have not helped. The recent practice of having days off in lieu, whilst not adding to the wages bill, do result in those days not being worked in producing income. In the year from June to June 39 days have so far been booked against such things as EGM, AGM, interviews and the two day retreat which everyone else attends free although they also have jobs to hold down. The cost of these days approx £1560 (51 days booked in total but 12 on overtime due to pressure of work). This practice should cease as it is completely in-egalitarian. Two additional general meetings so far this year cost approx £400 plus staff time £200 and rarely have we had so many. Crisis management in the cinema cost over £1500 in back-log and paying off the previous cinema organiser. Courses based on last year's performance but paying an administrator 2 days per week will lose approx £1100 when all costs are accounted for. Can we afford them?

I have gone on at some length but we really are facing a financial crisis and everything is not blooming as we are consistently being told. Constant monitoring and upto date books are essential to have any chance of surviving. We need to wake up, face the facts. It can be done.

Love.

Mark