

ANN UAL REP ORT

2009-2010

compass

DIRECTION FOR
THE DEMOCRATIC LEFT



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ANNUAL REPORT 2009-10

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Introduction

This report outlines the main work and progress of Compass from March 2009 through to early October 2010. For legal requirements we are required to file an annual report for the financial year, which runs from March to March. For the benefit of members we have included an update to October this year when this report was written.

Each time I start writing this report I begin by exclaiming that the current year has been even busier than the last and the previous 12 months have certainly been no exception. A general election year was always going to be frantic. But I believe as an organisation we will look back on 2009 and 2010 as a key benchmark in our organisation's short life span – this was the year that Compass ideas and policies clearly started to make a breakthrough and entered mainstream political and public debate.

This year has seen some truly awesome achievements for us. Let me outline some of them. In August 2009, just over a year ago, we launched our groundbreaking campaign for a high pay commission. Through this campaign we shaped the public debate on high pay, and kick started a long-overdue debate around the massive widening gap between rich and poor, and the need for distributive justice. Let us not forget too that it was a spin-off from our campaign for a high pay commission that led us to call for a one-off windfall tax on excessive bankers' bonuses, which directly resulted in the government imposing such a tax – a great result for Compass members and supporters. Little more than a year on from that important campaign and the new coalition government has now instigated a top pay commission for the public sector, led by Will Hutton, while during the Labour Leadership contest a number of candidates adopted the idea of our high pay commission as part of their election platforms. Compass, working with the Joseph Rowntree Charitable Trust, has played a pivotal role in establishing an independent high pay commission.

Furthermore, with CND, Greenpeace and others we relaunched the Rethink Trident alliance, and it now looks increasingly likely that the renewal of Trident could be put on the backburner for a further five years. With many of the ideas democratically prioritised by our members in our policy competition 'How to Live in the 21st Century', in the run-up to the general election we launched a manifesto of popular ideas called 'Winning on the Doorstep', some of which were then adopted into some of the party manifestos. Meanwhile this year our national conference continued to grow and be one of the biggest independent gatherings of progressives in the year. 'A New Hope' was a truly inspirational event attended by well over 1500 people.

Although we should rightly recognise the achievements for Compass, we should also acknowledge that this year has been disastrous for the wider centre-left and the Labour Party in particular. Labour lost the election with the worst result since 1929, resulting in the current coalition government. The country now faces the spectre of a government imposing the worst public spending cuts that have ever been inflicted – at nearly 20% almost double Mrs Thatcher's 10%. We are in for a very rough ride in the coming years and all of us should prepare ourselves for the long fight ahead.

Yet from defeat comes hope. In 2010 many more Compass aligned MPs were elected to Parliament right across Britain – Chuka Umunna in Streatham, Lisa Nandy in Wigan and Lillian Greenwood in Nottingham South, to name a few. And although the current coalition is the wrong hue for us, it is validation that such politics are likely to shape the future of Britain. In this we should recognise that Compass members made the right call in backing tactical voting in our democratic membership ballot during the election campaign, not least because if it were not for tactical voting we could well be facing an outright Conservative government; if only a few thousand more had voted tactically then we could have had the progressive alliance we called for the day after the election.





Thanks to Compass members and supporters we were able put pressure on Labour's leadership for an extended leadership contest to debate fully the reasons for Labour's defeat and give candidates the time to outline a positive vision for the future. During this campaign several Compass ideas entered the political fray and mainstream debate. We have already mentioned the high pay commission, but others were a living wage, lending rate caps, land value taxes, a graduate tax, making the windfall tax on bankers' bonuses permanent and many more. Then came the election of the new Labour leader Ed Miliband, the candidate who Compass members overwhelmingly supported in our membership ballot. In his first speech as leader he embraced many of our flagship policies and accepted much of our political analysis of the last few years, and mentioned the 'good society' four times. In the year ahead we should work with Ed constructively where we can and critically when necessary.

Our organisation continues to grow at a steady and consistent pace. Our headline membership figure is now 4500 and we now have over 40,000 members and supporters in total across Britain. Local groups are springing up all over the place, and existing ones are growing in strength and developing.

However, despite our great progress we continue to operate within a financial straightjacket. Last year we were able to employ a new member of staff – our campaigns organiser – but this year we are in effect losing one member of staff (be it with good reason), who will go to work on the independent high pay commission. At present we are in no financial position to be able to employ a new research co-ordinator. In the coming year it is more crucial than ever that we increase donations from our membership and supporters' base further still in order to make the organisation more self-sustaining and financially stable. The fragility of our resources continues to be the biggest obstacle to our success and ongoing development.

In looking to the future the political opportunities and conditions for the politics and ideas of Compass to come to fruition have never been better – we must pull out the stops and grab the windows of opportunity before they close.

As we state in this year's Political Priorities and Positioning Statement – all restless and ambitious political movements need a vision of the type of society they want to create. To be a realist you need to know what you are being realistic about. This is why Compass first developed the notion of the 'good society'. But to achieve a different and better world requires three further things:

- a political economy that supports it
- a state that enables it
- a theory and practice of political change to deliver it.

Therefore Compass' primary goal in this coming year is to build the ideas and organisation for a new progressive politics and a good society based on our core values of democracy, equality and sustainability – to build a new progressive coalition and a mass movement of people in favour of a radical, modern and 21st-century politics.

Finally, let us remember that the challenge ahead is not just one for the new generation of leaders now in Westminster; it is a challenge and a call to all of us to go out and make the good society happen. So in the coming year I hope you will get more involved in Compass and help us win the battle of ideas not only within the Labour Party and progressive community, but also and most importantly out there in the country! Thank you for all the work you have done and all the work you do in the coming months.

Gavin Hayes, General Secretary, Compass

Members and supporters

Our members and supporters are steadily growing in number. Last year we set ourselves a goal of reaching a combined total of 40,000 members and supporters, and that figure has now been exceeded. Membership has grown from 1500 in March 2006, to 2312 in June 2007, to 2948 in August 2008, to 3625 in August 2009 and is now at 4421 in October 2010. We have set ourselves an ambitious target of reaching 6000 members and 60,000 members and supporters by November 2011.

MEMBERSHIP ACTION: If you'd like to help us recruit people, then please encourage your friends, family and work colleagues to become members or supporters of Compass. Or if you can help us to get a recruitment leaflet or free insert into a relevant mailing (your local CLP newsletter, trade union branch, community action group mailing etc) then please get in touch.

Local groups

Local groups now meet across the UK with voluntary regional co-ordinators in the North East (Newcastle), North West (Manchester and Liverpool), West Midlands (Birmingham), East Midlands (Nottingham), Yorkshire and Humberside (Leeds), East Anglia (Norwich/Cambridge), South East (Southampton, Oxford), London (North and East), South West (Bristol) Scotland and Wales.

Local groups meet to discuss political ideas, organise local meetings and conferences, and to discuss and organise local campaigns. Full contact details of the co-ordinators can be found on the Compass website. Further new local groups will be established in 2010/11 as well as the further development of those that already exist. In 2010/11 we also aim to join up local Compass campaigners with like-minded issue-based campaigners such as those against public service cuts and those in favour of a yes vote in the upcoming referendum on AV.

MEMBERSHIP ACTION: Compass local groups have been popping up all over the country, and there's an enormous opportunity for us to bring together all sorts of people who care about democracy, equality and sustainability. Facilitating a group, and getting more people involved, is not as easy as it looks, so we've been finding out how other successful groups work together to see if there's anything we can learn. We'd love to find out what's been working well in your local group, and what might be improved on. To help with this process, we've had a volunteer, Casper ter Kuile, step forward to help this process happen. If you'd find it useful, over the next year one of us from the Compass staff and Casper would love to join a group meeting and discuss how best to run a local group, and share some organising tools. Let us know if you would be interested. As ever, if you would like to form a local group, just email Joe or Gavin and we will help you organise an initial meeting.



Events

A packed array of excellent debates, discussions, seminars, conferences and other events have been organised throughout the year.

TUC Conference

SEPTEMBER 2009 (LIVERPOOL)

At the TUC conference we held a well attended fringe event entitled 'Inequality Post Crash: time to rein in the masters of the universe and establish a high pay commission?'. Speakers included Neal Lawson, Compass; John Battle MP; Billy Hayes, Communication Workers Union; Nick Isles, Corporate Agenda; and Heather Wakefield, UNISON.



Labour Party Conference

SEPTEMBER 2009 (BRIGHTON)

We held a wide range of events at the Labour Party conference, including our massively attended Compass rally 'No Turning Back'. Other fringe events included 'Is Healthcare Corrupted by Market Forces', held with the SHA; 'Tackling Inequality Post-Crash: time to rein in the masters of the universe', with War on Want; 'Can We Build a Progressive Consensus between Liberals and Socialists', with the Social Liberal Forum; 'Has Labour Got What It Takes?', our joint electoral reform rally with the Electoral Reform Society, the Fabian Society and Progress; and 'Housing and the Recession', held with Shelter and the National House-Building Council.

Liberal Democrat Conference

SEPTEMBER 2009 (BOURNEMOUTH)

At the Liberal Democrat conference we held a lively fringe event in partnership with the Social Liberal Forum entitled 'Overcoming Political Obstacles to Equality'; speakers included Steve Webb MP and Compass chair Neal Lawson.

In Place of Cuts

NOVEMBER 2009 (WESTMINSTER)

To coincide with our publication *In Place of Cuts* we held a lively and well-attended launch event in Westminster chaired by Polly Toynbee of the Guardian. Our speakers included Prof George Irvin, chair of Compass Neal Lawson and Angela Eagle MP.

Beyond Copenhagen

NOVEMBER 2009 (WESTMINSTER)

Taking place at the same time as the Copenhagen Summit, we held a well-attended event in Westminster to look at future challenges facing the UK, Europe and the world relating to climate change and the environment, chaired by Mary Riddell of the *Daily Telegraph*. Speakers included Rt Hon Douglas Alexander MP; Phil Bloomer, Oxfam; and Robin Oakley, Greenpeace UK.

No Turning Back Christmas Party

DECEMBER 2009 (LONDON)

We organised a fantastic Christmas party with the theme 'No Turning Back', which over 200 people attended for a great evening of poetry, music, speeches and of course fun. Speakers included chair of Compass Neal Lawson, Jon Cruddas MP, Baroness Helena Kennedy QC and Chuka Umunna.

The Good Society

FEBRUARY 2010 (NEWCASTLE UPON TYNE)

Over 100 thinkers, campaigners, opinion formers, trade unionists, Compass activists and others attended this major two-day conference held in partnership with FES and the Northern TUC to debate and discuss how to deliver a better way for the economy and society. Speakers included Poul Rasmusson MEP, President of the Parliamentary European Socialists; Jon Cruddas MP; Gail Cartmail, Unite; Paul Noon, Prospect; Larry Elliott, the *Guardian*; Paul Nowak, TUC; John Tomaney, Newcastle University; Paul Younger, Newcastle University; John Mawson, the Institute of Local Governance; Dexter Whitfield, European Services Strategy Unit; Andy Williamson, NaREC; Ann Pettifor, Advocacy International; Peter Scherrer, Secretary General of the European Metalworkers Federation; and Neal Lawson, Compass.



Not in Front of the Kids

FEBRUARY 2010 (WESTMINSTER)

As part of our ongoing work around the commercialisation of childhood and in response to government plans to allow product placement on TV, Compass held a major rally in Parliament to debate and oppose the proposals. Speakers at this lively meeting chaired by Jackie Ashley of the *Guardian* included David Cairns MP; Sue Plamer, author of *Toxic Childhood*; John McVay, Pact; and Neal Lawson, chair, Compass.

Debating Inequality UK

MARCH 2010 (LIVERPOOL)

This was the launch event of Compass Merseyside and was attended by over 100 people. Speakers included Professor Richard Wilkinson, co-author of *The Spirit Level*; Neal Lawson, chair, Compass; and Ann Pettifor, Advocacy International and author of *The Coming First World Debt Crisis*; it was chaired by Cllr Jane Corbett, Liverpool City Council.

Unequal Britain: time for a high pay commission?

MARCH 2010 (WESTMINSTER)

Held in association with The Smith Institute and coinciding with our campaign for a high pay commission this well-attended Westminster debate discussed issues around high pay, gross income inequality and solutions to tackle it. Speakers included Jon Cruddas MP; Rt Hon John Battle MP; Professor Alan Manning; and Andrew Haldenby, Reform; it was chaired by Polly Toynbee, the *Guardian*.

Osbornomics: what will the Conservatives do to the economy?

MARCH 2010 (WESTMINSTER)

This event was held in partnership with Soundings and A New Political Economy Network; it looked at the Conservative's economic policies in detail. Speakers included Howard Reed; Larry Elliott, the *Guardian*; Polly Toynbee, the *Guardian*; and Prof Andrew Gamble, Cambridge University; it was chaired by Jon Cruddas MP.

In Place of Fees: time for a business education tax?

MARCH 2010 (WESTMINSTER)

Organised to coincide with the government's review of higher education funding and to launch a new report by University and College Union (UCU) and Compass, which outlined plans for a business graduate tax. This event was addressed by Sally Hunt, UCU; Sam Tarry, Young Labour; and Richard Murphy, Tax Justice Network UK; it was chaired by Neal Lawson, Compass.

After the Election: what next for centre-left politics?

MAY/JUNE 2010 (WESTMINSTER, OXFORD, NEWCASTLE, LIVERPOOL)

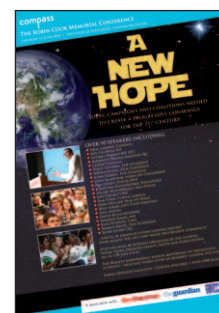
Held immediately after the general election at which Labour suffered its worst defeat since 1929, this highly charged and over-subscribed event looked at the prospects of a progressive alliance and discussed the ideas and strategy that Labour should adopt in order to win back power for a purpose. Speakers included Jon Cruddas MP; Polly Toynbee, the *Guardian*; Chuka Umunna, Labour PPC Streatham; and John Harris, the *Guardian*; it was chaired by Neal Lawson, Compass.

Events on the same theme and with similar speakers were also held in towns and cities across the UK in Oxford, Newcastle and Liverpool.

A New Hope: the Compass National and Robin Cook Memorial Conference

JUNE 2010

Our biggest ever national conference, held just weeks after an historic election, was attended by 1700 people throughout the day. It looked at the ideas, campaigns and coalitions needed to create a progressive consensus for the 21st century. Speakers included Neal Lawson, chair, Compass; Jon Cruddas MP; Rt Hon Ed Balls MP; Rt Hon David Miliband MP; Rt Hon Ed Miliband MP; John McDonnell MP; Rt Hon Douglas Alexander MP; Caroline Lucas MP; Baroness Helena Kennedy QC; Chuka Umunna MP; Polly Toynbee, the *Guardian*; Mehdi Hasan, *New Statesman*; John Harris, the *Guardian*; John Kampfner, Index on Censorship; Pam Giddy, Power 2010; Jonathan Rutherford, *Soundings*; and Hilary Wainwright, *Red Pepper*.



Labour Party Conference

SEPTEMBER 2010 (MANCHESTER)

We held a wide range of fringe events at Labour Party conference. The Compass rally was as ever a very busy affair, in fact this year so many people attended that some had to be turned away as we literally could not accommodate any more inside the room. Other fringe events included 'Beyond the Recession: housing in a new era', held with Shelter and the National House-Building Council; 'Transforming Labour: can centre-left parties become genuine movements for change?'; held with the FES; 'Pursuing an Ethical Foreign Policy'; held with OneVoice, and 'After the Coalition: what left for a progressive alliance?'

In addition to our events we also had an exhibition stand staffed by Lola, our friendly loan shark, as part of our End Legal Loan Sharking campaign.

Other speaking events

Management committee members, staff, regional co-ordinators and key Compass activists have spoken at a wide range of other external meetings throughout the year.

MEMBERSHIP ACTION: If you'd like a Compass speaker to address a meeting, or are interested in organising a Compass meeting of your own please get in touch.

Campaigns

This year we have run many successful campaigns and have yet again proved our effectiveness at building coalitions and co-ordinating our campaign objectives with a range of progressive organisations, NGOs and individuals. We continue to deliver effective campaigns that help bring about a more democratic, equal and sustainable world.

Campaigns allow us to demonstrate in a practical way our belief that collective and democratic solutions are often better than market-based solutions. Campaigns also allow us to build the kind of pluralist coalitions that are needed if the left is to become a real force for change again.

We are increasingly looking at issues that can make a difference to people's lives in the short term and trying to explain them in easy and accessible language. Our campaigns should be supported by a broad cross section of society, not just those who are currently politically active, and we are constantly striving to make sure this is the case.

Compass has already had a huge impact on the Labour party and its direction. A whole swathe of policies that Compass has promoted – from a financial transaction tax and a graduate tax to a living wage and a high pay commission – are fast becoming party policy.

We continue to try to influence the coalition government on campaign issues and oppose them when necessary.

We continue to use best practice in campaigning, empowering our members to take action, spread ideas and communicate with other activists. We now have an email database of over 40,000 supporters. This is important as it allows us to fundraise more effectively, exert pressure on decision makers and join up activists offline.

In the next year there will be big challenges that we have to face up to, not least the attempted cuts to the public sector. Compass activists will have to play their part in this battle. Our aim at Compass is to link local Compass activists with local campaigns against the cuts.

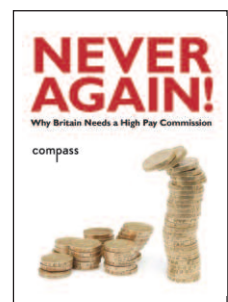
There will also be a referendum on changing the current voting system of First Past The Post to the Alternative Vote. Again, our aim is to link Compass campaigners with local activists who would like to campaign for a yes to AV.

There is now massive opportunity for forging a progressive majority campaigning for a new politics that can create a more democratic, equal and sustainable society; there has never been a better time to build the ideas and crucially the support for a new progressive consensus – this is the priority for Compass's campaigning in the year ahead.

Our major campaigns in the last 12 months are described below.

A high pay commission

In August 2009 we launched our campaign for a high pay commission with the publication of a major statement signed by over 100 high-profile signatories, including Vince Cable MP, Jon Cruddas MP, the TUC's Brendan Barber, Caroline Lucas MP, and many more. The campaign attracted high profile media attention and helped to move the debate away from MPs' expenses back to issues of distribution and fairness. Thousands of people lobbied the Chancellor and their MP demanding a high pay commission. The idea became widely accepted in the Labour leadership contest. We are in the process of establishing our own independent high pay commission to undertake research into the causes and effects of high pay.





Rethink Trident 2009

The government is proposing to replace the UK's fleet of Trident nuclear submarines and extend the life of existing missiles in plans that carry an estimated cost of over £76bn. The initiative Rethink Trident was launched in 2007 with the support of a broad coalition. Rethink Trident 2009 includes an updated and strengthened statement calling on the government not to renew Britain's Trident nuclear weapons system. The statement is endorsed by a committee of over 100, including faith leaders, academics, prominent politicians from all parties, leading authors and poets, musicians and celebrities. We continue to work with all interested parties including CND and Greenpeace to campaign to prevent the government from renewing Trident.

Same old Tories

In the run up to the 2010 general election we campaigned to expose the inherent contradiction within 'compassionate Conservatism'. Our pamphlet and website aimed to explain why the progressive elements of the tentative movement were being sidelined. They told the story of a Conservative Party that flirted with a progressive vision but was ultimately unable to shake off its neo-liberal economic orthodoxy and its antipathy to the state. At the crucial moment of flux, during the biggest economic crisis of a generation, 'compassionate Conservatism' turned back to a more orthodox neo-liberal political economy.

Winning on the doorstep

In *Winning on the Doorstep* we outlined 12 key policies which we believed the Labour Party could run, enabling the party to win a fourth term for a greater purpose. All the policies were costed, popular and would have helped to change the terms of debate in British politics. The policies included voting reform, banking reform, a living wage, a Robin Hood tax and a graduate tax. These policies are now at the centre of the debate around a renewed Labour Party.

End legal loan sharking

In summer 2010 we launched our campaign to end legal loan sharking. The campaign to introduce lending rate caps coupled with increasing access to affordable credit would enable the poorest households to become financially independent, helping to provide a route out of personal debt.

Irresponsible lending can cause personal debt to become unmanageable; some loan and credit companies are charging annual interest rates equivalent to over 2500% (despite the Bank of England base rate being just 0.5%). Borrowing at these rates repeatedly tips customers into inescapable cycles of debt and poverty.

Affordable short-term credit is needed more than ever, but despite this, because millions on lower and middle incomes are not catered for by many high street banks, they have no choice but to borrow at usury rates. Visit www.endlegalloansharks.org for further details.

MEMBERSHIP ACTION: You can sign up and take action on Compass campaigns on the website. Whenever we run a campaign we encourage you to get involved as much as possible with campaign related activities, like responding to our consultations or e-petitions, writing to your MP, or writing a letter to your local paper. We now have dedicated web-based tools that mean you can assist us in our campaigns in just a few easy clicks. We can also provide Compass speakers for local campaign meetings. To get more involved in our campaigns please get in touch.

Research, policy & publications

Research and policy

Over the last year Compass has worked with academics, experts and many organisations including NGOs, trade unions and some trusts and foundations to deliver an exciting and compelling research and publications agenda.

Last year we promised to look in particular at education, banking, sustainability, tax and Europe. We identified these as key strategic areas that demanded attention and which our members saw as key priorities, so over the year we developed our understanding of and published work on each of them.

- **Education** – We have maintained and built on the network of academics, trade unions and experts led by Prof Ken Spours at the Institute of Education. This has resulted in a series of seminar discussions, which will culminate in an e-book being published in the spring.
- **Banking** – Alongside the campaign to end legal loan sharking Compass has produced a number of reports on banking looking specifically at the story of Northern Rock. We have also held meetings and seminars on the subject in London and Newcastle.
- **Sustainability** – We have continued to work with the Green Party and organisations like Greenpeace. We have held public events at Westminster and produced publications on sustainability post Copenhagen. We now have a green group, which will continue to push the green agenda within Compass.
- **Tax** – Working with a group of tax experts, Compass has continued to explore and develop a compelling tax model for a progressive tax system.
- **Europe** – Compass has worked with the Friedrich Ebert Stiftung (FES) to develop the good society in Europe. This has involved conferences and seminars across Europe on democracy, equality, sustainability and organising. This is an incredibly important part of Compass' work as ultimately we must build the good society not just nationally, but also internationally. This body of work was only made possible by the support and dedication of a number of individuals and organisations that gave their time, energy and expertise to work with us on these important issues.

Our ambitious research agenda

We will build on this success over the next year. We will continue to work on issues of tax, sustainability in Europe, and banking, but attempt to develop a research agenda that returns to the key principles that characterised Compass' early work in the programme for renewal and go further in developing these ideals.

THE GOOD SOCIETY

From the simple concept of the good society Compass will build a much more tangible and populist notion of what this society might be. Compass wants to conduct new qualitative research into people's lives to understand their hopes, dreams, anxieties and fears – to know what they value and what they might, given a chance, change or develop. Such research would need to be conducted across class, ethnic and gender boundaries to create a unique portrait of the nation's real aspirations.

A NEW POLITICAL ECONOMY

Once we have a better view of what people want then there is a duty to put in place the policy infrastructure to make their desires a reality. In large part this will entail a new political economy – one that sees its duty as enabling the good society to take shape – because the interests of



society come before those of the market. Compass will analyse and describe key policy ideas that would contribute to the management of capital in the interests of society; this would include controls on finance, money, trade, ownership and takeovers, as well as the more effective regulation and harmonisation of taxes, benefits and labour markets, and the decarbonisation of the economy.

THE BIRTH OF THE DEMOCRATIC STATE

Over the past 30 years we have watched the decline of the bureaucratic state and the failure of the market state. A new state form needs to be found and developed. Compass wants to explore the notion of the democratic state, one that is responsive, accountable and local but maintains and builds a strong public service ethos. Our work will therefore focus on a political theory of the state, a critique of bureaucratic and market systems, the theory and practice of a new democratic state (in health, education etc), what public sector value and efficiency are and how they can be measured, and what the limits of and relationships between the state and civil society are – in short what should the state do and how?

THE THEORY AND PRACTICE OF POLITICAL CHANGE

Finally, if these are the values and broad programmatic basis of the good society, how are they to be enacted? It is futile having a vision and a programme if there is little idea about how to turn such hope into reality. So we need a theory, and a developing practice of change. Compass itself is an experiment in how to make meaningful change a reality through the development of ideas, parties, campaigns, alliances and the media.

Publications

Over the last year we have written and published the following reports, which cover a broad range of issues.

In Place of Cuts: tax reform to build a fairer society

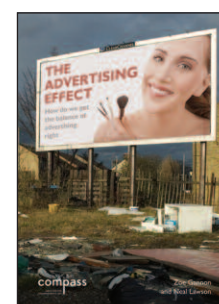
The report was written by George Irvin, Dave Byrne, Richard Murphy, Howard Reed and Sally Ruane. It put forward a comprehensive analysis of the UK tax system and offered a straightforward set of proposals which would start to make it fairer. We would like to thank UNISON for their support on this project.

Beyond Copenhagen: darkest before the dawn

This publication looked beyond Copenhagen in addressing the global environment crisis. With 13% of nations producing 40% of all carbon emissions, the deals proposed by the USA and Europe do not go far enough. Although recognising that change must be activated collectively, this report called for essential moves from government, including investment in renewable energy, and for fiscal stimulus for carbon trading.

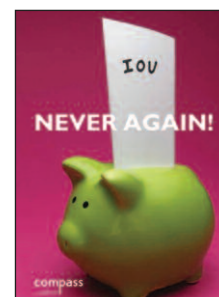
The Advertising Effect: how do we get the balance of advertising right

Written by Neal Lawson and Zoe Gannon, this report on the effect of advertising sparked a long overdue debate about an industry that in recent years has changed dramatically, and asks whether regulation needs to catch up. It was produced with the support of the Polden-Puckham Charitable Foundation.



Never Again!

Published on the same day that the state-owned Royal Bank of Scotland reported large losses coupled with plans for excessive bonuses, this paper was written at the same time as the economic benefits of an overly dominant financial system were being questioned. In the paper we demanded six policy proposals; if introduced in the right way they would significantly transfer risk from the state and taxpayers back to the financial institutions. These policies would give greater taxpayer value, help tackle egregiously high pay and rebalance the economy away from the over-dominance of the financial services.



Winning on the Doorstep

This short and accessible manifesto outlined policies on which Labour could win a fourth term with a greater purpose. The 12 policy ideas would help change the terms of debate in British politics. Furthermore, polling showed that they were supported by most British people.



Blue Dawn Fades

Written by Joe Cox, this pamphlet examined Cameron's Conservative Party. It analysed the contradictions of 'compassionate Conservatism' that were noticeable from the beginning, and explained why the progressive elements of this tentative movement are being sidelined. It described how a Conservative Party that flirted with a progressive vision was ultimately unable to shake off its neo-liberal economic orthodoxy and antipathy to the state. At the crucial moment of flux, during the biggest economic crisis of a generation, it turned back to a more orthodox neo-liberal political economy.



New Politics: tactical voting and how the left should deal with the governing coalition

Neal Lawson and Joe Cox looked at the role tactical voting played in the outcome of the 2010 general election. The document also reaffirmed the importance of a centre left pluralist political strategy to defeat the newly aligned centre-right governing coalition.



The Liberal Democrat Journey to a Lib-Con Coalition – and where next?

In this pamphlet Richard Grayson looked at the history of the Liberal Democrats and discussed honestly what this means for the Lib-Dems and for wider progressive left politics. A shortened version appeared in the New Statesman.

Socialism is Democracy: why Labour must support electoral reform

In *Socialism is Democracy* Neal Lawson called for Labour to support electoral reform and argued that any renewal of Labour as a party of real power must be predicated on the alignment of socialism and democracy. Socialism can only be the collective capacity to change our world. For that we need a set of moral and practical rules, which should be applied not just to Westminster but to the state, our communities and workplaces. More democracy means more socialism.

The £100 Billion Gamble: on growth without the state

In this report Zoe Gannon, George Irvin and Howard Reed argued that this government's cuts agenda is running a £100 billion bet on growing based on 'no reputable economic theory'. Chancellor George Osborne argues that the state is the problem, that we must deal with the deficit immediately, that if the state is cut back the private sector will flourish and that cuts can

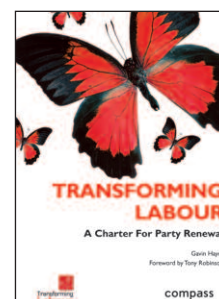


be progressive. The report contested each of these arguments with economic facts and evidence showing that opposition to the cuts is essential and that there is an alternative, involving a renewed fiscal stimulus to encourage growth and a long-term fiscal policy designed to reduce the deficit through a fairer tax regime.

Transforming Labour: a charter for party renewal

Published on the eve of the Labour Party Conference Compass published a report by Gavin Hayes. This is a ten-point charter for party renewal that we believe if implemented could represent a new covenant between the party leadership and the wider membership, and rebuild the basis for mutual respect and greater trust.

MEMBERSHIP ACTION: Ask your local bookshop and library to stock Compass publications, or donate your old Compass publications to your local community or advice centres. You could also ask your local trade union and CLP to subscribe to Compass and get our publications. Did you know that all Compass publications can be debated on the Compass website? Why not make your own contributions?



E-communications, website & social networking

The main website continues to be one of the main ways in which we communicate to our members, supporters and the wider public. It attracts up to 160,000 active user sessions a month, up from 100,000 this time last year.

The campaigning and action-based side of the website and our e-communications has been further developed in summer 2009 as we introduced web-based campaigning tools that make it easy for our supporters and activists to take action at the click of a button, with functions that make it easy for people to sign an online petition, email their MP or a relevant minister or figurehead, tell their friends and much more.

This year in order to communicate and engage with a much broader audience of people, increasingly we have chosen to set up dedicated micro-sites for specific campaigns and projects – such as the ‘Same Old Tories’ blog, our education blog and our End Legal Loan Sharking campaign site. This helps us to enhance our online presence and increase the impact of specific projects while further building the online organisational capacity of Compass.

We have seen significant growth in social networking as the number of people engaging with Compass through sites such as Facebook and Twitter has increased. We now have a Facebook group with nearly 2000 subscribers, and can boast nearly 3000 followers on Twitter who tweet frequently about our campaigns and activities.



MEMBERSHIP ACTION: We welcome comment, debate and contributions from members on our website, both on the main news page, as well as in the ‘Compass Debates’ members-only section. If you have ideas for articles or thinkpieces please get in touch. Please add your comments and views regularly. Why not visit the website to sign up to our fast growing followings on Facebook and Twitter?

MEMBERSHIP ACTION: Have you emailed all of your friends and colleagues and urged them to sign up as a Compass supporter? We urgently need you to help us build our email list and therefore the influence and organisational capacity of Compass – email your friends today at: <http://action.compassonline.org.uk/page/s/emailsignup>



Why do we have to pay the price for their crisis? When they want to charge us more to get into university and get housing? While they carry on slashing our pay, our jobs and our services. It's time to fight the recession. It's time to take back our future.

Campaigning on youth unemployment

It was clear to the Compass Youth Organising Committee that the alarming rise in youth unemployment was something which we should prioritise as a campaign. Our programme 'All Skilled Up, All Doled Up – Youth Unemployment' involved public meetings, workshops and online campaigning. We worked alongside key youth leaders such as the National Union of Students' President, Young Labour chair and even Speech Debelle, the Mercury Award Winner 2009.

In 2010 Compass Youth hosted our first ever fringe meeting at the National Union of Students Conference under the banner 'What Future for Grads Out of Work' with speakers including Lisa Nandy MP; Matt Dykes, Policy Officer for Young People at the TUC; Kaveh Azarhoosh, Students Organiser for Compass Youth; Rupy Kaur, NUS Disabled Students Officer; and Ed Marsh from the NUS National Executive Committee.

We took this campaign out to the regions with a local youth unemployment debate in Hull organised by Kaveh Azarhoosh. Hull was the city with the highest amount of youth unemployment in the UK in 2009; many of these job losses are the results of the financial crises. Recently graduates and students have found themselves under huge pressure because of the lack of jobs and financial support. On this topic we also held our first ever joint event with schools, running an evening of debates at the House of Commons, in coalition with New Turn and the Campaign for State Education.

The cuts don't work

London is a unique city faced with unique needs, especially in the economic crisis. It is one of the richest cities in the world, one of the most unequal and one of the most vibrant. It also has the youngest population in the UK and it will continue to become younger with new people moving in.

That's why we organised the session on young people at the economic crisis in what was a packed Progressive London Conference organised by Ken Livingstone. We discussed and crowdsourced ideas on just that. We also invited a cracking line-up of speakers who are organising for young people right across the country:

- Noel Hatch – chair of Compass Youth
- Rowenna Davis – from Headliners; journalist at the Guardian and Independent
- Sam Tarry – organiser of Hope not Hate and chair of Young Labour
- Nizam Uddin – president of University of London Union
- Bell Ribeiro-Addy – black students' officer for NUS
- the Mercury Music Award Winner – Speech Debelle!

Unlike other debates, we wanted the audience to be the stars of the show, so we gave the speakers a sharp five minutes to pitch their message to the participants. Then we asked participants to get into a dozen groups to discuss what they thought of the ideas put forward by the speakers, but more importantly to think about what issues they faced as young people and what ideas they wanted us to campaign on; they didn't fail to deliver.

So what did they want? These are some of the points that came up:

- Fair pay. Many groups wanted an equalisation of the minimum wage, some even calling for a living wage. They also wanted stronger regulation of youth job schemes, such as apprenticeships and internships.

- Better support. Several groups wanted young people out of work to be better supported, including through more meaningful careers advice to build confidence, travel grants and by creating a union for volunteers and the unemployed. People definitely wanted spaces for young people to reinvest their confidence and skills in, such as summer schools.
- Creative investment. With the threat of cuts, groups put forward innovative ways of funding these proposals, such as lobbying companies to use their corporate social responsibility budgets. Others wanted to lift young people out of income tax and remove National Insurance contributions from employers recruiting young people. As @Fio_edwards summed up, 'investment not cuts! Let's invest in the future of this society by investing in young people at #HigherEducation,'

Then we asked the speakers to tell us one idea they think we should really campaign on and would be a realistic campaign that could be won.

Rowenna Davis proposed that all internships in the public sector should be paid the minimum wage. Sam Tarry argued that we should equalise the minimum wage for all young people. Speech DeBelle championed more civic space. Bell Addy-Ribeiro spoke out in favour of free education, while Nizam Uddin supported the call for a living wage.

@GabriellaJ: Speech DeBelle says it's the perfect time for government to invest in young people who want instant success at @ProLondon. @SamTarry Buzzing ideas in @compassyouth session at #proLDN conference on youth unemployment: – hope some radical empowering campaigns come out of it! @EllieCRobinson great day, esp. the very practical youth session this morning. now let's go out and make some waves

The audience issued a challenge for how young campaigners can work better together. Ideas are nothing without action. But together we can build the London we want to see.

Nothing Left To Lose: politics for the next generation

We ran a fringe event at Compass Conference called 'Nothing Left To Lose: politics for the next generation' with Sam Tarry, chair of Young Labour; Laurie Penny, *Guardian* and *New Statesman*; and Aaron Porter, NUS president; chaired by Noel Hatch, chair of Compass Youth. In society we are asked to wait our turn, we are the 'next generation', but next never means now. You can argue this has always been the case, but it's only now that those in power don't just ignore young people, they boldly pretend to speak on our behalf. It's partly why we are least likely to take part in the political structures defined by the generation that preceded them. This has created a gap which grows the conditions for more radical self-organising activism to thrive.

There's an amazing tension between young people's feeling of powerlessness towards a society we have had no say in shaping and our energy to want to take back society and reshape it into something far different. With the crisis we face, people are crying out for a new way of doing politics. It's not that young people aren't interested in politics; it's that we see no way of being able to make change happen. Our grandparents fought for the welfare state. Our parents fought for individual rights. What is our generation fighting for?

Where are young women in politics?

In January 2010 with the political debate taking place on families and marriage Compass Youth organised a meeting in the House of Commons to look at issues of women's representation and the way women were being discussed in the general election campaign. Our five amazing

speakers with different areas of interest and expertise made it a broad meeting and we got some ideas for the future too. The speakers were:

- Emily Thornberry, Labour MP for Islington South and Finsbury
- Glenda Jackson, Labour MP for Hampstead
- Dr Rainbow Murray, politics lecturer at Queen Mary, University of London
- Bellavia Ribeiro, black students' officer, National Union of Students
- Tulip Siddiq, Labour Party council candidate in Regent's Park and BAME officer for Young Labour

Who are Compass Youth?

COMPASS YOUTH ORGANISING COMMITTEE 2009/10

Noel Hatch (chair), Cat Smith (vice-chair), Luke Pearce (secretary), Lucille Harvey (treasurer), Jamie Audsley, Kaveh Azarhoosh, Yue-Ting Cheng, Tom Copley, Katy Dillon, Rupy Kaur, Christine Quigley and Ben Soffa.

COMPASS YOUTH ORGANISING COMMITTEE 2010/11

Cat Smith (chair), Luke Pearce (vice-chair), Mark Fowle (secretary), Caroline Alabi (treasurer), Kaveh Azarhoosh, Arthur Baker, Heather Elliott, Ben Furber, Lucille Harvey, Marcus Hobley, Axel Landin and Ben Soffa.

We now have our own bank account and are looking for funds to support our campaigning activities. We value our autonomy within Compass as an independent youth campaign and acknowledge we have much more freedom than Young Labour or the Young Fabians to do this. Looking to the future, it is clear the coalition governments' cuts will be ideological and will harm our generation in particular, and we are looking to form our progressive coalition to challenge them and stand up for our generation.

National and international networks and alliances

In October 2010 we held our first meeting of the 'progressive alliance'; these monthly meetings bring together progressives who wish for a more equal, sustainable and democratic world and are prepared to will the means to make such a world happen.

Progressive organisations know there is much to do, but something critical is missing. They often fight their own, often short-term battles, when what they need to do is join up more effectively. The triple crises of inequality, sustainability and democracy can only be solved together.

These meetings are held to share ideas, projects, research and best practice. A group of leading activists, campaigners and thinkers meet to discuss the best new thinking, campaigns and arguments. In 2010/2011 we intend to build this network so it can allow us to join up the best thought of action that the centre left has to offer.

In addition to our national networks Compass has further sought to make and develop international networks and alliances. We have forged a good relationship through the FES with a whole host of social democrats right across Europe. Furthermore, this year Compass organised a trip to Washington DC to network extensively with key thinkers, campaigners, movement builders, politicians and others who share Compass's vision for a better world to forge stronger links with like-minded individuals across the Atlantic. We have also made good links with people in Australia. We will continue to build and develop our international networks in the year ahead.

Media coverage

For such a small organisation we have a very high media profile. Much of this is connected with some of the brilliant campaigns and projects we have run in 2009 and 2010, which have helped to popularise our ideas especially in the mainstream media. Compass is seen as the key media voice for progressives on the centre-left. Key broadcast programmes and channels we regularly contribute to include BBC News, Sky News, Today, BBC *Newsnight*, *The Politics Show*, LBC and Radio 5 Live. Our campaigns and projects are regularly reported in every major newspaper. Furthermore we are asked to contribute comment pieces not just to the *Guardian*, but other papers including *The Times* and even the *Daily Mail*.

A small selection of our recent good press coverage can be found below:

“They were active and smart... They had plenty of energy... and they were organised.”

Long-term Compass critic Tony Blair writing in his book *A Journey*, August 2010

“Compass itself (is), plural and democratic to its core.”

Mehdi Hasan, *New Statesman*, August 2010

“the Left has finally found a voice... [Compass] has become a serious organising force, one of the most serious, on the Left.”

Editorial, *The Times*, August 2009

“Compass is the sharpest political movement because it is trying to be not a party, but a framework taking in disparate groups.”

Polly Toynbee, the *Guardian*, May 2009

A full list of media coverage can be found on the press page of our website.

Staff and office

The organisation employs three full-time members of staff: Gavin Hayes, general secretary; Zoe Gannon, research co-ordinator; and Joe Cox, campaigns organiser. We are based in a dedicated office space at Southbank House near to Vauxhall. The office also has a team of enthusiastic interns throughout the year.

From October 2010 Zoe Gannon will begin to work on the independent high pay commission Compass has established in partnership with the Joseph Rowntree Charitable Trust. We are currently fundraising to replace Zoe with a new research coordinator. Until we have sufficient funds to do this we will inevitably be limited in our organisational capacity. If you can afford to offer a one-off or regular donation please consider doing so.

Management Committee members

THE MANAGEMENT COMMITTEE MEMBERS FOR 2009/10 WERE: Neal Lawson (chair), Sue Goss (vice-chair), Mark Cooke (treasurer), Meg Russell, Jon Cruddas MP (PLP), Willie Sullivan (Scotland rep), Matthew Hall (Wales rep), Sam Tarry, Ben Folley, Jenna Khalfan, Gemma Tumelty, Joy Johnson, Andy Howell and Noel Hatch (Compass Youth).

THE MANAGEMENT COMMITTEE MEMBERS FOR 2010/2011 ARE: Neal Lawson (chair), Mark Cooke (treasurer), Chuka Umunna MP (parliamentary rep), Daniel D'eath (Welsh rep), Willie Sullivan (Scottish rep), Jon Cruddas MP, Baroness Helena Kennedy QC, Sue Goss, Meg Russell, Sam Tarry, Ben Folley, David Ritter (co-opted), Ruth Lister (co-opted), Kamaljeet Jandu (co-opted) and Cat Smith (Compass Youth).

Gavin Hayes, the general secretary of Compass, also serves the committee as its secretary but as a full-time member of staff does not have voting rights.

Donors

In the interests of transparency Compass publishes all donations and project funding of £5000 or over; this excludes smaller donations and income including membership subscriptions. Below are details of funding and grants awarded to Compass of £5000 or over for 2009/10. We would like to pay tribute to and thank all the organisations and individuals who have given funding to Compass over the past 12 months and will do so in the year ahead.

Major donors for 2009/10

Apr-09	CWU	£22,421	Royal Mail Campaign
May-09	CWU	£5,000	Compass Conference
May-09	CWU	£24,240	Royal Mail Campaign
May-09	Friedrich Ebert Stiftung	£4,500	Economic Summit
Jul-09	CWU	£5,000	Royal Mail Campaign
Aug-09	CWU	£15,000	Royal Mail Campaign
Aug-09	CWU	£5,000	Compass Conference
Aug-09	CWU	£1,000	Economic Summit
Aug-09	Barry Amiel Trust	£20,000	Banking project
Aug-09	Andrew Wainwright Reform Trust	£5,000	Banking project
Sep-09	Barrow Cadbury Trust	£4,000	21st century project
Sep-09	Joseph Rowntree Reform Trust	£11,550	Core funding
Sep-09	Unison	£7,000	Housing project
Nov-09	Barrow Cadbury Trust	£1,000	21st century project
Nov-09	Friedrich Ebert Stiftung	£4,000	Banking project
Nov-09	Friedrich Ebert Stiftung	£3,200	Education project
Nov-09	Millfield House Trust	£10,135	Banking project
Dec-09	Joseph Rowntree Reform Trust	£11,250	Core funding
Jan-10	Friedrich Ebert Stiftung	£2,640	Banking project
Jan-10	Friedrich Ebert Stiftung	£164	Education project
Feb-10	Electoral Reform Society	£13,584	Electoral reform project
Feb-10	Unison	£5,000	Core funding
Mar-10	Joseph Rowntree Reform Trust	£11,250	Core funding

Financial report

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ANNUAL REPORT 2009-10

www.compassonline.org.uk

We are pleased to report that we achieved a surplus in 2009/10, almost eliminating our accumulated deficit in that year. However, while the period from March 2009 to March 2010 shows a small surplus, this does not mean that our finances, in particular our immediate cash-flow, is not challenging, to say the least. We continue to balance our activities against our income very carefully; as you can see from the accounts this is always a tight thing!

In 2009/10 the trebling of donations from members was particularly pleasing – thank you to everyone who contributed. We also achieved a balanced mix of grants from trade unions and several trusts and foundations, avoiding excessive dependence on any one source.

We were able to increase our number of paid staff to three during the year, expanding our activities, but this can only be sustained with your continuing support.

Regular contributions by standing order are particularly valuable, as they provide a consistent income to meet staff costs.

In the second half of 2010/11 our cashflow will be helped by our current research co-ordinator moving to work on the independent high pay commission we have helped to establish with the Joseph Rowntree Charitable Trust. However, we are currently not in a financial position to employ anyone new, so this will have serious repercussions for the organisation's capacity and will limit us. We currently have a funding shortfall for 2010/11 and although we are confident of bridging the current funding gap by the new year, we must raise approximately £15,000 from members and supporters in the coming months in order to help meet our costs and ensure we can employ a new member of staff in 2011.

Labour going into opposition in the UK provides threats and opportunities to Compass' funding sources – the greater the level of support from members, the stronger our organisation will be.

MEMBERSHIP ACTION: If you can afford to make a regular donation by standing order, or even just a one off donation by cheque, please consider doing this so we have a constant regular income to rely on (see the form at the back of this report).

Income and Expenditure Account for the year ended 31 March 2010

	2009 (£)	2010 (£)
INCOME		
Members' subscriptions	32,763	34,861
Members' donations	13,660	41,027
Grants from trade unions	34,000	71,661
Grant from Joseph Rowntree Reform Trust	44,000	26,550
Grants from Barrow Cadbury Trust	47,000	-
Grants from Electoral Reform Society	-	13,584
Other grants	21,996	76,700
Event income – Compass Annual Conference	42,334	32,190
Event income – other events	3,265	1,726
Other	2,270	80
Total Income	241,288	298,379
EXPENDITURE		
Payroll costs	54,867	86,115
Other staff costs	9,694	12,186
Consultancy	53,498	60,000
Office costs	36,268	34,084
Compass annual conference costs	31,207	27,607
Other event costs	16,465	24,222
Publications costs	15,847	21,102
Membership recruitment	6,627	5,943
Fundraising costs	-	3,650
Other	16,688	19,459
Total Expenditure	241,161	294,369
SURPLUS FOR YEAR	127	4,010

Balance Sheet as at 31 March 2010

	2009 (£)	2010 (£)
ASSETS		
Debtors and accrued income	15,715	15,050
Cash	30,189	18,079
	45,904	33,129
LIABILITIES		
Creditors and accruals	(28,771)	(27,397)
Deferred income	(22,911)	(7,500)
	(51,682)	(34,897)
Net Assets/(Liabilities)	(5,778)	(1,768)
REPRESENTING		
Members' Funds		
Brought forward	(5,905)	(5,778)
Surplus for year	127	4,010
Deficit carried forward	(5,778)	(1,768)

Thank you for supporting our work...

MONTHLY GIFT STANDING ORDER MANDATE

YES I'd like to support Compass with a monthly gift of £ _____

I ENCLOSE A ONE OFF CHEQUE/POSTAL ORDERS FOR £ _____

I HAVE COMPLETED THE STANDING ORDER MANDATE BELOW

FULL NAME: _____
ADDRESS: _____
EMAIL: _____
TELEPHONE: _____

STANDING ORDER INSTRUCTIONS

Please pay immediately by standing order to Compass' account, Lloyds TSB, 32 Oxford Street, London, W1A 2LD (a/c 02227769, sort code 30-98-71) the sum of £_____ (in words _____) starting with the first payment on (date) _____ and continuing for 12 months on the same day each quarter/month (delete as appropriate), unless cancelled by me in writing.

Bank/building society name _____
Bank address _____
Account name (your full name) _____
Account number _____
Sort Code _____
Signature _____
Date _____

RETURN TO:

Gavin Hayes, General Secretary
Compass
Southbank House
Black Prince Road
London, SE1 7SJ

The logo for Compass, featuring the word "compass" in a lowercase, sans-serif font. The letter "s" is significantly larger and extends downwards, creating a distinctive graphic element.