

NEWSBRIEF

Conferences and events

Davos on the road in London

Places are going quickly at the Centre's [17th annual global employee equity forum](#) – transferred, exceptionally, from Davos to London. It will take place at **White & Case's** offices in the City on **Wednesday February 10**.

This all-day event will run from 9:00 until 17:30 after which the Centre will hold its annual cocktail party. Refreshments and a buffet lunch will also be provided.

Already more than 20 Centre members and others have registered and Channel Islands-based trustee **Bedell Group** is sponsoring the programme. Among plan issuers to register early are **Imagination Technologies, Prudential** and **RSA**.

Speakers include experts from **White & Case; Howells Associates; KPMG; Linklaters; MM&K; Imagination Technologies; Pett Franklin; Primondell; Solium UK; Compensation Venture Group (USA)** and **Bedell Group**.

The attendance fees are:

Practitioner members, £385; non-members £595

Plan issuers £195 (all subject to VAT)

Registration: To register, please email Fred Hackworth at: fhackworth@esopcentre.com with copy to The Centre at: esop@esopcentre.com.

For speaking, panellist and sponsoring opportunities contact Fred Hackworth or Louisa Clark at lclark@esopcentre.com NOW.

This event gains six hours of credits under the Law Society's CPD programme.

Centre / STEP Jersey conference 2016

The 2016 ESOP Centre/STEP Jersey conference will be held at the **Royal Yacht Hotel** in St Helier on **Friday April 15 2016**.

The annual half day conference is an industry-leading networking and learning opportunity for all those interested in share schemes and employee benefit trusteeship.

Among the topics are: ESOP share valuation; JSOPs and their increasing popularity; the huge increase in employee shareholder shares; leadership, management, staff retention and ESOPs.

Expert speakers confirmed so far are: David Craddock, **David Craddock Consultancy Services**; David Pett, **Pett Franklin**; Graham Muir, **Nabarro**; Michael Landon, **MM&K**; Rosemary Marr, **STEP Jersey and Moore Stephens**.

News of further speakers and details of the trustee panel will follow.

To attend as a delegate:

ESOP Centre / STEP Jersey members: **£325**

Non-members: **£450**

★ Book before February 14 to take advantage of our 3 for 2 ★ early bird offer. The cheapest ticket is **free**.

To register your interest in attending, please email the names and contact details of all delegates to esop@esopcentre.com or call 020 7239 4971.

Attendance at the conference will qualify you for 3.5 hours CPD credit with the Law Society.

Vienna to host Centre annual conference June 2 & 3 2016

Members are rapidly reserving speaker slots for the Centre's 28th annual European employee equity plans conference, which takes place in Vienna at the elegant five star **Steigenberger Herrenhof Hotel Thursday/Friday June 2 & 3** next year.

The 100 year old Herrenhof Hotel is situated in **Herrengasse**, near the Kohlmarkt and Golden Quarter in the old city centre, is classified by UNESCO as a World Cultural Heritage site and is minutes walk away from major historic landmarks, such as the Hofburg Palace, Café Central, the Spanish Riding School, Sisi Museum, the state opera house, Burgtheater (the Imperial Court Theatre) and the gothic St. Stephen's Cathedral.

If you wish to speak in Vienna (Austrian and East European interest is expected), or **attend as a delegate**, please inform us by e-mail to: fhackworth@esopcentre.com with copy to esop@esopcentre.com.

*The Centre will also hold a share plan issuer panel whose members, including Vodafone, will attend **free of charge**, including both participation and accommodation. The offer is limited to one attendee per plan issuer firm, *which is not also a service provider to the share plan industry*. Your representative, if accepted by the Centre under this scheme, would be entitled to **two nights (June 1 & 2) half-board accommodation**.

Only two free places on the issuers' panel remain to be allocated on a first-come-first-served basis. If you would like to take up this offer please reply to fhackworth@esopcentre.com with a copy to esop@esopcentre.com.

Members', national and international news

Centre Profile: Graeme Nuttall OBE

Graeme is a partner in the Fieldfisher tax and structuring group and head of Fieldfisher's Employee Ownership and Mutualisation team. Also, as the UK Government's independent adviser on employee ownership, author of the [Nuttall Review of Employee Ownership](#).

In what ways does employee share ownership ("ESO") serve a useful purpose?

ESO, even though an all-employee plan, is often mainly about financial participation. This helps achieve the combined goals of better business performance and happier staff. But my belief is that this "win-win" situation is best secured through employee ownership ("EO"). This means a significant and meaningful stake in a business for all its employees. What is 'meaningful' goes beyond financial participation. The employees' shareholding must underpin organisational structures that ensure employee engagement.

How can we widen and deepen the adoption and use of employee share ownership?

The benefits of ESO need to be understood and repeatedly demonstrated by success stories, backed up by research. The Coalition Government focused on promoting EO but we can adapt the [EO health check](#) in the Foreword to the [Nuttall Review One Year On Report](#) to promote all forms of ESO alongside EO.

What would you tell someone who is 'on the fence' about introducing employee share ownership to their company?

In my experience owners generally know when the time is right to introduce employees as shareholders and will recognise the right way to do it once they have the choices. The role of the adviser is often as much about building confidence as giving technical and practical assistance.

What do you think will change about employee share ownership over the next five years?

Instead of using share plans as an add-on to conventional business models we will see more employee-owned companies. As a result of the findings of the Nuttall Review the Finance Act 2014 introduced tax exemptions for employee-ownership trusts ("EOTs"). These tax exemptions are having the desired effect of raising awareness of EO in all its forms.

What do you wish other people knew about employee share ownership?

ESO should not be just about financial participation. Whatever the percentage of share capital, the employees' individual and total shareholdings should be used to underpin employee engagement. The best outcomes are achieved through employee financial participation combined with individual and collective employee voice.

What has been the most important development in employee share ownership during your career?

The most important UK development is clearly the Government's 2012 decision to promote EO as a mainstream business model. This achieved a major boost to awareness of the commercial benefits of EO, which continues through the introduction of EOTs. Every adviser must now mention the possibility of an employee-buy out as a business exit route.

Which change to employee share plans legislation, in the UK or elsewhere, would you most like to see?

I would like to see greater worldwide recognition of the employee trust ownership business model. This would be a powerful UK export.

Why do you think employee share ownership has enjoyed cross-party support in the UK?

Every party can claim ESO as their own idea. Conservatives will emphasise entrepreneurialism, Liberal Democrats want to ensure that power and opportunity are not hoarded by the few and the Labour Party will refer to co-operative ideals.

Which aspect of the ESOP Centre do you value most?

I know I should talk about the ESOP Centre's role as a lobbyist but the enjoyable networking and newspad are invaluable fillips to do more to spread the wages of capital to all employees.

Who would be the guest of honour at your fantasy dinner party?

*A pioneering physicist, say, **Richard Feynman**.*

Which book has most changed your life?

I wonder if 'Small Is Beautiful: A study of Economics as if People Mattered' – EF Schumacher (1973) had a subliminal impact on me in my teenage years.

How do you relax?

I am a serial hobbyist with contemporary art as a mainstay.

Paul Mark high table dinner

Employee ownership initiatives in Scotland and Northern Ireland were mooted at the Centre's high table dinner for Representative Paul Mark at the RAF Club (Nov 25). Rep Mark, a Democrat, has a bill before the state House which would give Esops and co-ops first crack at small companies changing ownership.

In the United States, many states add their own incentives to federal measures. Now the devolved administrations in the UK have more taxing power and therefore more opportunity.

During earlier tea at the House of Lords Rt Hon Lord Foulkes of Cumnock PC offered to brief the Labour party in Scotland. Over dinner Centre members looked at the possibilities with income tax in Scotland and corporation tax in Northern Ireland. The Chairman undertook to raise the topic with the respective governments.

Treasury announces plans for simplification of employee share scheme tax rules

The Centre released a [response](#) to the proposed changes to rules concerning tax-approved and non-approved employee share schemes in the Spending Review and Autumn Statement 2015. The Centre surmised that the government seeks to ensure that it properly taxes income derived from employee share schemes.

Pett Franklin shares expertise at the Chartered Institute of Taxation

Stephen Woodhouse and Charlotte Fleck were invited to [talk](#) at the

Chartered Institute of Taxation in Manchester on December 14. As experts in the share scheme field they covered a number of topics to discuss recent developments and share advice for chartered tax advisors.

Towers Watson appoints industry veterans

In members' news, Towers Watson have appointed Tim Mitchell and Ed Wilson as it expands its organisational design consulting for asset owners and investment advice to institutional asset owners. The full announcement can be read [here](#).

Towers Watson discusses the future of employee benefits

In a recent [article](#) by Towers Watson, the future of employee benefits is held in question with the emergence of competitive factors that will transform the workforce. With the future of employee retention and engagement in mind Towers Watson outlines "five steps every employer should consider for getting ahead of the curve".

Pinsent Masons recent legal news

Members of limited liability partnerships (LLPs) are claiming that HMRC did not issue partner payment notices (PPNs) lawfully "because it had adopted an 'industrial process' for issuing the notices, rather than exercising the discretion called for by the legislation that implemented the new power". The article, including the response from Pinsent Masons tax disputes expert, can be found [here](#).

Economic changes impacting HR professionals

Celia Alliance has highlighted some of the key announcements from the Autumn Statement 2015 from an HR perspective. The [article](#) covers government plans for employment and benefits, including technical changes affecting tax-advantaged and non-tax-advantaged employee share schemes, which will be introduced in the Finance Bill 2016.

HMRC publishes Finance Bill 2016 draft clauses

HMRC has published a policy [paper](#) outlining the changes to the rules for ERS options and tax-advantaged share schemes. The changes will clarify the tax treatment for internationally mobile employees (IMEs) of certain ERS Options, reinstate rules for Share Incentive Plans (SIPs) and permit late registration of tax-advantaged schemes where the tax payer has a reasonable excuse.

Sports Direct International half yearly report

Financial Times released a company [announcement](#) on December 10 demonstrating the interim results for the sports retail group. The results from the previous four year share scheme have demonstrated that all of the yearly targets have been met and another four year scheme has been implemented for 2015. The report states: "Management believes that the Share Schemes have been instrumental in the strength of the Group's ongoing performance".

Overseas Territories oppose UK's demand for central registers

STEP released an industry news [article](#) on December 7 outlining resistance from Britain's Overseas Territories to the UK's demands to set up central registers of company beneficial ownership, directly accessible by the UK authorities. According to STEP, "most of the territories have opposed, although the UK intends to set up its own, publicly available, register next year".

IEA analyses the works of Ronald Coase

In an online [book review](#), the Institute of Economic Affairs (IEA) introduce their new publication, '*Forever Contemporary - The Economics of Ronald Coase*', exploring contemporary relevance in the works of the Nobel-Prize winning economist.

US Esop companies offer additional retirement options

A [blog](#) by The ESOP Association indicates nearly half of US households spend more in early retirement than they did while working. The blog outlines the additional benefits that Esop companies provide by offering additional retirement saving options to their employees. Over 50 per cent of companies with share schemes offer a second retirement plan.

Employee Share Ownership Centre Ltd

Phoenix Yard | 65 Kings Cross Road | London WC1X 9LW | +44 (0)20 7239 4971

esop@esopcentre.com | www.esopcentre.com