



Centre symposium hit by COVID-19

In the current circumstances Linklaters has told us that it is no longer able to host the [symposium and newspad awards presentation](#). Our most practical option is to postpone the event till the autumn.



We are pleased to be able to tell you that we have had a good offer from a senior Centre member practitioner to host the re-scheduled event in central London on Thursday, October 15 2020, subject to either the disappearance or steep decline in the UK presence of Coronavirus (COVID-19) by the onset of autumn.

Almost all the programme will remain as for the original event postponed from March 26, but one or two topic slots will change. We shall announce information about the venue and any revised topic slots as soon as it becomes available.

Delegate reservations for March 26 will be valid for the new date. Please let the team know if you have booked a place but are unable to attend in October. For more details or to reserve a place email Juliet at the Centre: Juliet_wigzell@zyen.com or call +44 (0)20 7562 0586.

EVENTS

Employee share schemes and trustees – June 12

Save the day for this year's Esop Centre [Jersey share schemes and trustees seminar](#), held in partnership with STEP Jersey, at the Pomme d'Or Hotel in St Helier on June 12, 08:45 - 14:30.

Given the latest developments in Brexit matters, the international reach of trustees and the growth in the establishment of employee ownership trusts, it has never been more important for those interested in employee share schemes and trusteeship to stay informed with expert views and enjoy the continuing education which our seminars offer.

This year's programme will include updates on the loan charge, case law, and employee share ownership plans. The seminar will conclude

with a lunch for delegates and speakers.

Experts include: Katherine Neal, Ogier - Graham Muir, CMS - David Pett, Temple Tax Chambers - David Craddock, David Craddock Consultancy Services. The seminar will be chaired by Malcolm Hurlston CBE, who founded the Esop Centre.

Prices: Esop Centre/STEP members: £375, Non-members: £480

Book and pay before **May 1** to choose one of the following **early-bird** discounts for this half-day event:

50 percent off a third delegate

10 percent off total

Only one early bird offer can be used for each organisation, whichever gives you the larger discount

You can reserve your place by emailing events@esopcentre.com or call the Centre on +44 (0)20 7562 0586

The Canadian Employee Ownership conference, Regina, June 1-3

Whether you're interested in learning strategies to boost your existing employee ownership culture or want to know more about what an Esop can offer your company, there is no better conference to [attend in Canada](#).

You'll hear speakers from some of Canada's successful employee-owned companies, advisers, and experts who will talk about their experiences with Esops, mistakes included, and answer any questions you might have.

CENTRE AND MEMBER NEWS

Dixons Carphone wins newspad share plan award



Dixons Carphone's Philippa Boulton and Alderman & Sheriff Michael Mainelli observe the *no handshake* protocol at the presentation.

Earlier this month Philippa Boulton, head of executive reward and share plans, received an award certificate on behalf of Dixons Carphone from Alderman & Sheriff Michael Mainelli at the Central Criminal Court, Old Bailey, London. Dixon Carphone's *Colleague Shareholder*

Scheme was voted best creative solution in an all-employee share plan in January. The judges felt that creativity had been shown in the design of the plan which put forward a startlingly simple scheme as a solution to how to encourage the majority of the workforce to become employee shareholders. They were impressed that the eligibility criteria included all permanent staff below senior management level with 12 months' service.

Philippa, an enthusiastic supporter of employee share ownership, commented that she is particularly proud to be part Dixons Carphone's team because of the inclusivity – the share scheme is offered to the whole workforce including staff on the living wage – and the fact that ceo Alex Baldock has really got behind the scheme. The Dixons Carphone plan was nominated for the award by adviser Equiniti.

Aon to merge with Willis Towers Watson in \$80billion deal

Professional services firm Aon is set to merge with risk management, insurance brokerage and advisory business [Willis Towers Watson](#) in a \$30 billion (£60.8 billion) deal that aims to combine and expand complementary organisations to create a technology-enabled global platform.

The transaction is expected to create more than \$10 billion (£7.6 billion) in shareholder value. Combined under the Aon name and brand, the organisation will be a global professional services firm focused on areas of risk, retirement, and health.

Willis Towers Watson shareholders will receive 1.08 Aon shares for each Willis Towers Watson share, representing a 16.2 percent premium to Willis Towers Watson's closing share price on March 6 2020.

Under the terms of the agreement, existing Aon shareholders will own 63 percent of the organisation, to Willis Towers Watson's 37 percent. The board of directors will comprise a proportional number of members from each organisation's current directors.

Through its New Bridge Street subsidiary Aon links back to the foundation of the Centre and Laurie Brennan who was a disruptor before the term came into common use.

Centre members merge as Equiniti acquires Monldee

Equiniti Group is to [acquire of Monldee](#), the employee share plans technology business based in Amsterdam.

Monldee services more than 200,000 employees across 210 corporate clients in 50 countries. Its proprietary 'tOption' technology will enable Equiniti to offer Global Share Purchase Plan products which are in increasing demand.

Guy Wakeley, chief executive of Equiniti, said: "We are delighted to welcome Monldee to the Equiniti Group. This acquisition will allow us to answer current client demand and provides us with a leading proprietary platform to attract new international clients. The global employee share plans market is growing quickly and we are in great shape to take advantage.

"Monldee has a strong reputation as an international provider of outstanding technology and share plan solutions. The two businesses are highly complementary with a strong cultural fit and I am looking forward to working with our new colleagues in Amsterdam."

Hans van Tol, from Monldee said: "The capabilities of EQ and Monldee are a natural fit and this acquisition is an excellent way for us to accelerate our growth."

Charles Cotton: Aligning employees takes careful planning and investment

A bonus, pay rise, holiday and recognition of work are just a few examples of how a business can reward its workers.

But [do these rewards change behaviours](#), or help people think that their efforts are welcome and valued? As shown by the March 2015 CIPD report, *Show me the money: The behavioural science of reward*, cash can have a positive impact on productivity where jobs are routine and repetitive. Where they are not, it can be more challenging to design, communicate and implement a reward-based plan.

UKSA lends its support to FT campaign for clear pension charges

Hundreds of FT readers and industry voices [supported FT Money's campaign](#) after its exposé of "shameful" industry practices.

Investment expert Holly Mackay, who analysed charges on a £1m pension pot, found the difference between the cheapest provider and the most expensive could be nearly half a million pounds over a 25-year investment horizon.

Centre member, the UK Shareholders' Association, was among the first to show support for the campaign. "Thank you for an excellent article calling for greater transparency of pension charges," the FT quoted John Hunter, UKSA director, as writing.

UK NEWS

Budget – what does it mean for employee share plans?

Chancellor Rishi Sunak delivered his first Budget speech on March 11. It may not significantly affect employee share ownership, but some of the [announcements affecting employees](#) and employers are:

Enterprise Management Incentive (EMI)

schemes: A consultation has been launched to consider whether these tax-advantaged employee option schemes (currently only available to smaller businesses, and subject to certain criteria) should be made more widely available.

Entrepreneurs' Relief: This relief (which confers a 10 percent rate of capital gains tax for disposals by shareholders holding more than five percent of a company) was retained, but the lifetime limit was reduced from £10 million to £1 million.

Social security: The earnings threshold for NICs (social security contributions) increased from £8,632 to £9,500. These contributions are normally payable alongside income tax by employers and employees when share awards vest or are exercised.

Corporation tax: The rate of corporation tax remains unchanged at 19 percent (and will not drop to 17 percent as had been previously announced).

How to ensure employees share in business success

[A piece of the pie](#) - there are many reasons why employers might choose to offer employees a share in their success, so it is important to first

establish what a business aims to achieve by giving out a slice of the cake. For some, it is about giving employees a different perspective, says Stuart Hyland, associate partner at Aon: “If it was your business, what would you do? Would you spend this money in this way?”

Aussie Man and Van uses share schemes to engage employees with business growth

London-based removals firm Aussie Man and Van has been [running a share scheme since 2004](#). At present, 30 members of staff are either shareholders or option-holders, representing 70 percent total equity.

Charles Rickards, finance and marketing director at Aussie Man and Van, says: “We think involving key members of the business in the equity of the business is morally a good thing to do, because it divides the cake more equally.

“Also, from a commercial point of view, if [there are] a lot of people who are highly motivated and committed to the business long term, that should help it to grow.”

Brexit and GDPR – do you need to appoint an EU representative?

Data Protection, and the [flow of data between the EU and the UK](#) has been mentioned by both sides in the trade deal talks.

The EU will expect the UK to align with EU regulations (including GDPR) while the UK government is stating the opposite. Though data flows have been mentioned, one issue that has not is the requirement, for some organisations outside the EU, to appoint what is termed a “European representative”.

The true benefits of employee ownership

A report by thinktank Ownership at Work suggests that employee ownership, whether achieved through [direct shareholdings or an employee-owned trust](#), proves popular wherever the company operates and whatever the industry.

“When you are an owner you recognise the need to boost your skills levels,” according to the report. “You know that the company’s productivity feeds directly into your pay

packet and the company’s success. There is no need to fake enthusiasm or force yourself to go the extra mile when the business in hand is very much your business.”

WORLD NEWS

EU: Startups applaud Commission plan to rethink stock options

Startups have welcomed [proposals from the European Commission](#) aimed at cutting red tape and shrinking cross-border barriers for small businesses as part of [a new EU industrial strategy plan](#) with a twin focus on digital and green transitions.

Among the package of measures being proposed by the European Union’s executive body are for member states to sign up to a “Startup Nations Standard” — which would aim to promote best practices to support startups and scale-ups, such as one-stop shops, favourable employee stock-options arrangements and visa processing to reduce cross-border friction for entrepreneurs starting and growing businesses in the bloc.

South Africa: DA has concrete plans to tackle wealth inequality

The official opposition and the second largest political party in South Africa, the Democratic Alliance (DA)’s [draft policy on economic justice](#) has been commended by Carol Paton in *Business Day* for its thorough approach to tackling the drivers of disadvantage, but there were two reservations: that the policy does not address the concentration of ownership and assets in white hands; and that it may not resonate with black voters who want to “be affirmed to compensate for the racial past”. The document devotes a section to wealth inequality with proposals geared towards increasing asset ownership. One proposal is interventions that would make millions of black South Africans property owners or holders of recorded land rights and a second is promotion of employee share ownership by ensuring legislation supports the ability to link share ownership with performance or employment criteria.

USA: How Boston is creating wealth for its low-wage workers

As presidential candidates take the stage at a European-style beer hall the biggest cheers come from two waiters when they see Bernie Sanders—the candidate who would most approve of the way their workplace is organised.

Democracy isn't just a clever theme at this two-year-old brewpub. The beer names hint at the business' mission: the Worker's Pint blonde ale and the 1919 Strike stout. The beer coasters explain it. "Democracy Brewing is all about two American ideals," they read: "Democracy, and owning your own business." The brewpub, which opened on Independence Day 2018, is a worker-owned cooperative—and an innovative programme at Boston's City Hall, the Worker Cooperative Initiative, helped it get started. James Rasza, the brewery's co-founder and ceo, says Democracy Brewing was created as a "public house" in the British tradition, "one that could really build community, because Boston has become more and more transient." A former labour organiser, Rasza says he also wanted to "showcase solutions to people's work life"—to give workers a stake in the company, a say in how their workplace is run, and at least \$15 per hour. "It seemed like being a public house that brewed our own beer and made great food was a good way to showcase that to the public, while also really creating good value for the public," he says—"not just in food and beverage, but also hopefully something deeper."

USA: Employee owned company named as one of the best companies to work for

For the 10th year, Burns & McDonnell has been named one of the 100 Best Companies to Work For, according to global people analytics and consulting firm Great Place to Work and Fortune. The 100 percent employee-owned engineering, architecture and construction firm secured the No. 65 spot on this year's list.

MEMBER PROFILE



Louise Drake, national sales manager, YBS Share Plans

In what ways does employee share ownership serve a useful purpose?

The great thing about employee share ownership is that it can be designed for so many different uses, every company is different and so is each employee. The benefits are endless - retention, succession planning, recruitment, reward and motivation or as part of a programme of financial wellbeing and resilience - with a range of plans available to help achieve this, e.g. engaging employees through Free Shares in the SIP or longer term plans such as Sharesave and Partnership Shares, Discretionary Share Plans for senior leaders or simply helping employees start the savings habit.

It is so important that prior to launching any employee plan the company agree 'Why?' they are introducing it. The plan design will come from this objective and that is the great thing about employee share ownership, the reasons are all different but can benefit both the employee and company equally.

When we step back and take time to communicate and engage, I believe it has the potential to give all employees one common goal linked to the performance of their company. It aligns all colleagues with the group vision and what it means to them especially when linked to employee financial education programmes.

We all know that an engaged workforce creates better productivity and employee share ownership is a great way to do this complemented by workplace savings initiatives.

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

This year we'll be celebrating the 40th anniversary of Sharesave and the 20th anniversary of the Share Incentive Plan. Many things have changed over that time but I would say two key points have remained the same - employee engagement and building financial resilience – here is a bit more on what I mean by that:

Employee Engagement

We need to know who we are trying to engage. This is achieved through collaboration and works best when the company, colleague forum members, share plan provider and advisers all come together.

Insight is vital - What is their age, gender, location, working environment, what communication channels are available, why have employees taken the plan out in the past, why haven't they taken them out before? All this information is accessible and harnessing this insight can ensure we make communication engaging and available to everyone.

We have had instances of average reading ages of 11 and English as a second language, so in order to share how great employee share ownership is we need to ensure we cater for everyone's needs through clear communication.

- ◆ *Taking time out to plan meaningful communications to employees alongside a financial education programme and promoting awareness of such opportunities continuously throughout the year, not just in a short window of opportunity such as 14/21 days for Sharesave.*
- ◆ *Animations, calculators and support throughout the whole share plan lifetime is vital to support employees through the different stages they come across on their home-life journey. Modelling what could happen and using infographics to explain simply how plans work can really help drive employee share ownership.*

As an example the average take up rate for Sharesave is 35 percent, we need to be doing

more to ensure that the other 65 percent are fully informed and making the choices that are right for them.

Building Financial Resilience

As a building society we know that we are no longer a nation of savers but more a nation of spenders. 7.5m working Brits have less than £100 in savings and the average household debt is now above £4,000. In order to increase employee share ownership we need to tackle the problem of debt and savings, as the main reason for employees not joining all employee plans is because they cannot afford it.

We know that 28 percent of our Sharesave participants have no other form of savings and 40 percent would otherwise spend it if Sharesave wasn't an option. If we can help get people out of debt and in to a savings habit, building up their financial resilience, then participation levels will increase.

By understanding and talking openly about these challenges we are providing the right environment for employees to talk – learn more and work towards share ownership as a longer term goal.

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

I wouldn't tell them, I would ask about their vision for their people strategy and share the successes seen in our industry where employee share ownership has played a pivotal role in delivering similar visions with the right use of analytical insight, communication and engagement.

Share Plans can help with reward, retention, recruitment, aid employee's wealth and wellbeing, provide corporation tax relief and give employees the opportunity to own a slice of the company, seeing first-hand what their hard work can do.

There are so many great statistics out there showing a direct correlation between productivity for companies with share plans compared to those who don't.

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

People thinking it is no longer relevant to the next generation.

I would recommend that we don't over engineer

the demographic and label us all then make assumptions – think of it like flexible working, that was a big thing when first launched but now it's the norm but we all still work! So keep the core of what these great plans bring and ensure they stay relevant to the employee and company needs at that time and the society we live in, whether that be now or in another 40 years.

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

The rise in savings limits for all-employee plans, was a big win and gave a well-established product prominence once again on companies' reward agenda.

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

Accountancy rules making it more cost effective to companies.

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

Because it is a concept that doesn't differentiate on status it's there for all employees. The success it has seen since introduction in 1980 with many different plans added to the mix to meet the changing needs of the workforce and the companies they work for.

Which aspect of the Esop Centre do you most value?

Connectivity and the network of information.

Which aspect of the Esop Centre would you most like to change?

...more collaboration with other industry providers and suppliers when lobbying.

What is your idea of perfect happiness?

Spending time with the people you care about and who care about you. Preferably at the beach with no shoes on, having a picnic sat in front of a camp fire watching the waves break.

What is your most marked characteristic?

A certain amount of craziness mixed with optimism – why focus on the negative while you have air in your lungs – that's a waste of a breath you may one day wish you'd saved!

What do you consider your greatest achievement?

Outside of our family Being the chairman of The Avalon Group for over 15 years, in particular the launch of our living with dementia programme – have a read of [Emily & Joseph's](#) story.

What historical figure do you most identify with?

I would say admire more than identify - Helen Keller and Amelia Earhart

Which living person do you most admire?

Julie Walters and anyone who understands the pleasure of saying "together we achieved..." instead of "I achieved..."

Who are your heroes in real life?

My parents and grandparents they let me be who I am and helped me see who I could be. But if I have to choose one that would be my mum – now there's a strong woman who knows how to get things done and make everyone feel great.

Which word or phrases do you most overuse?

Sure no problem - count me in!

What is your most treasured possession?

My wedding ring.

ABOUT NEWSBRIEF

newsbrief is the Employee Share Ownership Centre's members-only mid-month publication.

To submit a story for the next issue of newsbrief, sponsor the publication, or to propose someone for a member profile, contact Juliet Wigzell:

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