



ESOP STAR PROFILE

Justin Cooper

Justin Cooper was with Capita, later Link Market Services (formerly Capita Asset Services), for nearly two decades. In May Justin retired as CEO, and is now studying for a Financial Times non-executive director diploma. He was a staunch ally of the Centre nationally and internationally.

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

For me, it's the fundamentals of aligning the interests of the employer with the employee – owning a 'share' of the company gives employees a tangible feeling of belonging. For companies, it's the obvious upside of having a workforce that's engaged and is likely to work harder.

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

The corporate world seems full of companies that seem to understand that having a purpose helps engage employees and sharing in the company vision does the same. As part of this drive, I wonder if there is a way to promote the link to employee share ownership better?

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

I see the continuing expansion of the global business environment – and as such more use of global share plans that have design features that link employees irrespective of which country they work in. Closer to home, it is inevitable that Brexit will change the way that UK companies do business – it is possible that markets will become more difficult and competitive advantage will be amplified... I wonder whether there is a place here for employee ownership to help companies



achieve this advantage by having a more engaged workforce.

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

I grew up with Sharesave, but the Share Incentive Plan was the largest change during my career. I was working at Proshare at the time SIP was introduced and to be involved in promoting wider employee share ownership at that point was very interesting. To see this stock plan become complementary and not competing against the option plan of Sharesave was satisfying.

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

Again, this has to be about company/employee alignment – this is desirable irrespective of politics!

What is your idea of perfect happiness?

I never do well at these types of questions.....perfect happiness is family & health perhaps with a good bottle of wine, a round of golf in good company, Brighton winning a football game!

What do you consider your greatest achievement?

Finding Jennifer, my wife, and managing to stay married to her for 17 years!

Which living person do you most admire?

A difficult one as you normally don't get asked for the person to have to be living! But on that criteria Steven Spielberg - one of the most influential personalities in the history of cinema.

Which word or phrases do you most overuse?

I think, like a lot of people, I am transient with phrases and use some a lot for a period and then move onto to something else. At the moment I catch myself saying 'Charli Come' multiple times a day – but that's more about the fact that I have a six-month old English Springer spaniel who's a bit lively!

What is your most treasured possession?

At this point I would probably have to say my Brighton & Hove Albion season ticket – so many years in the wilderness and now to play in the Premier League!

EVENTS

Guernsey 2019 - book now to catch the early-bird

If employee share schemes and trusteeship matter to you, it is now more important than ever to stay informed, especially given recent developments. Even if the world turns upside down in the meantime, you may be sure our speakers will adapt to the challenge. Our seminars offer expert views and the pleasure of continuing education, along with opportunities to discuss and network.

This year's Esop Institute/STEP Guernsey share schemes and trustees' seminar will be on Friday November 8 at the Old Government House hotel, St Peter Port.

Our UK speakers - from Pett Franklin, David Craddock Consultancy Services, CMS and Haines Watts - will shed light on the key issues currently facing trustees and employee share scheme professionals.

Topics as of now are:

- ◆ “Can HMRC ask for that?” Under CRS, Schedule 36 FA 2008 specific information and documentation from advisers is being sought. “How did we get to this position?”, “What is reasonably required?” and “Does HM Revenue & Customs have jurisdictional rights over the Jersey/Guernsey?” with actual examples showing how poorly drafted some Notices are leaving the recipient having to guess what is being asked for!
- ◆ EBTs as internal market makers for unquoted companies; managing trapped assets within EBTs
- ◆ Corporate governance changes around post employment share holding recommendations for listed companies
- ◆ UN Sustainable Development Goals 2030 and the role of employee share schemes
- ◆ The latest on entrepreneurs' relief.

The seminar will end with a networking lunch.

Last year's event was an outstanding success, which we look to emulate this year, building on the popularity of this industry-leading networking and learning opportunity.

Prices:

Esop Centre/STEP **members: £375**

Non-members: £480

Reserve your place this week to take advantage of the early-bird discounts: **50 percent** off a **third delegate** ticket or **10 percent off total**, if you book and pay by **September 20** 2019.

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

Email events@hurlstons.com or call us on 020 7239 4971

**“Extremely relevant
and interesting.**

**A good opportunity to
catch up with *contacts*;
old and new!**

A great success. ”

British Isles symposium 2020

Speaker slots are being snapped up for the Centre's fourth [British Isles share plans symposium](#), which will be hosted Linklaters at its London headquarters on Thursday, March 26 next year. Practitioner members and share plan issuer companies are advised to apply for speaker roles fast before they are all reserved. Plan issuer company representatives who deliver an all-employee or executive equity incentive plan case study (with or without an advisor) will be admitted free of charge. Jennifer Rudman of Equiniti will be the speaker for the key slot: How do you ensure that all employee plans (Sharesave and SIP) continue to be relevant and provide benefits for today's workforce? Colin Kendon, partner (employee incentives) at Bird & Bird, will deliver a frank assessment of the hugely popular Executive Management Incentive (EMI); David Craddock, who heads his eponymous share schemes consultancy, will lead us through valuing an SME and Jane Jevon of Pett Franklin will help unlock the potential of the CSOP. We shall hear from Garry Karch, of EO Incentives, how Employee Ownership Trusts (EOTs) are structured and financed and RM2 associate Robin Hartley will speak on growth shares. In the executive reward section, Deloitte's Martin McLeod will cover the hard and soft law changes affecting directors' remuneration. Harry Meek from Linklaters will determine his topic when more of the smoke has cleared.

The symposium will be introduced and chaired by Malcolm Hurlston CBE. He will call for a reset of all-employee share plan schemes to

make them more popular with companies and employees. The practitioner member speaker rate is £275 and member delegates will pay £395. Non-member practitioners will pay £595 (all ticket prices are subject to VAT). The draft programme is on the Centre website www.esopcentre.com.

Members who wish to participate – either by co-sponsoring our e-brochure and/or by delivering a presentation - should contact Fred Hackworth at: fhackworth@hurlstons.com or call the team on +44 (0)20 7239 4971.

WEBINAR

Capdesk

Tuesday October 1 at 10:00am

The most efficient and cost-effective way to manage your cap table is by digitising it. In this [30-minute webinar](#), you will learn how digitising cap tables and reports can help growth companies. The speaker is Ben Bowes.

CENTRE AND MEMBER NEWS



newspad awards 2019

Submissions are now open for the 2019 newspad all-employee share plan awards.

The newspad awards recognise the achievements of companies which offer employee share plans and offer best practice models for other companies to follow. Companies can nominate themselves or advisers can make submissions their on behalf. The deadline for all nominations is 5pm on Friday **November 29**.

Category update!

Two new categories have been included to reflect your good work in bringing maximum numbers of employees into share ownership, at the suggestion of awards judge Damian Carnell of Willis Towers Watson:

Best share plan presentation (new features or new plan)

Share plans can be complex and difficult to understand, so how a presentation is made to the employees is crucial when introducing new plan features or new plan altogether. Judges will be looking for the most impactful innovation in share plan presentation.

Most improved step change participation

All-employee share plans require good rates of participation to be effective and companies strive to raise participation levels. This award recognises the best push on communications or improvements in generosity of terms.

The full list of this year's award categories are:

1. Best international all-employee share plan (more than 2,500 employees]
2. Best UK all-employee share plan (fewer than 2,500 employees]
3. Best share plan communications
4. Best share plan presentation (new features or new plan)
5. Best use of technology in employee share plans
6. Best creative solutions (taking account of employee feedback, equality work, cultural and jurisdictional issues)
7. Most improved step change participation
8. Best executive/managerial equity reward plan (involving more than 100 employees)
9. Best employee share plan practitioner (with examples of client work)
10. Best start-up equity incentive plan
11. Best HR director
12. Company with highest percentage of employee shareholder votes at agm

The winners will be decided by impartial judges, experts in the use of employee

equities, plus Malcolm Hurlston CBE, founder of the Esop Centre. The finalists will be announced in newspad in the New Year.

Awards may be received in person at the next British Isles symposium.

Submitting award entries is simple and can be done using the [on-line form](#) or by emailing one or two explanatory documents. Please read the rules and terms of entry on the [awards webpage](#).

If you have any questions, please contact us at esop@esopcentre.com or call +44 (0)20 7239 4971.

Esop barrister, David Pett, on 'the Loan Charge'

The review will be quick and expert: the government has asked Sir Amyas Morse (former Head of the National Audit Office) [to conduct a review](#) of the Loan Charge - and it is to be completed by November 2019. He is charged with deciding whether the Loan Charge, "as it applies to individuals who have directly entered into disguised remuneration schemes, is an appropriate response to the tax avoidance behaviour in question". At least there is no shilly-shallying about whether or not it is tax avoidance. To benefit from David Pett's backgrounder [read on....](#)

Linklaters trustee agenda

Linklaters has released the autumn 2019 edition of its [Trustee Agenda](#).

How big should a share award be?

Three of the most common influencing factors on the size of a share award are: the dilution for existing shareholders (what's acceptable?); the expectations of employees; and the long term gains. [Rm2 explores these factors in its latest blog](#).

UK NEWS

Labour's ownership proposal sparks debate

Labour's proposed 'inclusive ownership fund' has inspired apprehensive coverage from the FT in a series entitled '[The Corbynite Revolution](#)'. The FT suggests that, based on figures from the Office for National Statistics, Labour would look to 'expropriate' £300 billion.

The policy proposes that every company with more than 250 staff should gradually transfer 10 percent of its shares to workers. The plan would see the transfer of one percent a year of shares from shareholders to workers over 10 years. Shares would be held and managed by workers, who would receive dividends capped at £500 each per year. Any income beyond that level would be "redistributed" to the Exchequer, representing a stealth tax by the state.

"There is no historical precedent for this," said Dan Neidle, a partner at Clifford Chance who helped the FT. Mr Neidle speculated about litigation from aggrieved companies and shareholders, challenges from other countries, including the US and China, and potential WTO complaints.

John McDonnell argues that "it's right that we all share in the benefits that investment produces". On this point Neidle tacitly agrees: "The aim of this policy – giving employees an ownership stake in their companies – is laudable. However the method is entirely misconceived."

A [letter](#) to the FT co-signed by over 80 academics and directors, including French economist Thomas Picketty and chartered accountant Richard Murphy FCA, disputed the FT's analysis: "Your headline implies that Labour's proposals are unaffordable, but the Office of Budget Responsibility analysis cited ignores the impact of public spending on growth, and thus on tax receipts."

Picketty's reputation was severely challenged last week at the launch of The Inequality Paradox by former Gresham professor Doug McWilliams. At a launch hosted by ComRes on

Millbank he highlighted weaknesses in argument and language to an amused audience including schools minister Nick Gibbs. There will be a review in *newspad*.

Hugh Facey, chairman of Gripple, [criticised the FT's adversarial tone](#): "staff are the most important part of any business, so the transfer of shares to staff should be viewed as a gift, not a "raid" or "confiscation" to use your terms."

While Facey expressed reservations about Labour's particular proposal, he said that Employee Ownership helped his own business.

EOT NEWS

Next step for Doyle Clayton

Doyle Clayton, one of the UK's leading workplace law and advisory firms, has taken the next step in its development through creating an employee ownership trust. No management changes have taken place or are anticipated.



The firm, which started as an employment law boutique, has long been a pioneer in the sector. Now non-lawyers share ownership.

Ceo Peter Doyle said: "The most important asset in our business is our people. All of our staff need to be actively involved in improving our services and their delivery. This may be working with suppliers to reduce costs and environmental impact or helping clients - the organisations and individuals we advise to achieve their goals more effectively. Employee ownership is not a new idea and many well-known businesses of all types have embraced it successfully. For our next chapter, we believe that it is the right choice and one that will help us to be a more inclusive and dynamic organisation."



Highland TV company's eo move

Stornoway-based MacTV, the [largest independent television production company](#) in the Highlands and Islands, has moved into employee ownership.

The company is one of the biggest producers of programming for BBC Alba, including the Gaelic-language channel's flagship documentary series Trusadh.

Bill Morrison, MacTV managing director, identified employee ownership as a potential ideal solution on considering retirement, and linked up with Highlands and Islands Enterprise and Co-operative Development Scotland to make the move.

He said: "A traditional trade sale may have seen us bought by a competitor, potentially risking job security and compromising our offering. Employee ownership ensures that the company is owned by and run for the benefit of those most close to it, while providing ongoing economic benefit to the area by anchoring the work and jobs in the local community. Our new employee owners now have an increased stake in their own future, with a say in the business, empowering them to shape its direction and drive growth." The Employee Ownership Trust will hold 90 percent of the shares on behalf of the employees.

Scottish engineering consultancy 100 percent EOT

Grossart Associates, a Scottish civil and structural engineering consultancy, has [moved to an employee ownership model](#). Founder Bill Grossart said that the team welcomed employee ownership from the start: "We all believe employee ownership will be a catalyst for enhancing the consultancy and taking it on to bigger and better things."

Following the transfer of 100 percent of its shareholding to an Employee Ownership Trust, its 15 staff now own the business, albeit indirectly, and "can enjoy the reassurance that its future has been secured for them".

Because Grossart Associates is one of the rare examples of employee-owned engineering consultancies, Clare Alexander of Co-operative Development Scotland believes the new status will "give it a competitive edge". According to CDS there are now around 110 employee-owned companies operating in Scotland, with roughly 7,500 employee-owners generating a combined turnover of about £950 million.



Cooperative Development Scotland has launched the first Employee Ownership podcast on download on [iTunes](#) and the [CDS blog site](#). Each week, it will feature the experiences of business owners who have already sold their companies to their staff, and expert insight from specialist advisers and members of the legal and accounting professions.

WORLD NEWS

Employee ownership brings glad tidings to the poor (Luke 4:18)

On the recent US Labor Day, the Bishop of Venice, Most Reverend Frank J Dewane, gave a statement to the Committee on Domestic Justice and Human Development at the Conference of the Catholic Bishops. The [speech](#) covered US Catholic support for employee ownership, past and present:

"The 1919 "Bishops' Program" put its section on employee ownership next to the anti-monopoly section, and for good reason. In contrast to monopoly power, employee ownership gives workers access to the fruits of private companies, and in the best instances,

gives meaningful ways to participate in management. In 1986, with *Economic Justice for All*, the bishops reaffirmed this stance, noting that “profit sharing by the workers in a firm; enabling employees to become company stockholders; granting employees greater participation in determining the conditions of work. . . . can enhance productivity, increase the profitability of firms, provide greater job security and work satisfaction for employees, and reduce adversarial relations.” The bishops wrote that their *judgment* from the 1919 *Plan of Reconstruction*, remains valid such that “the full possibilities of increased production will not be realised so long as the majority of workers remain mere wage earners. The majority must somehow become owners, at least in part, of the instruments of production.”

Only a handful of business schools include courses on employee ownership or other models of broad-based ownership.

Marjorie Kelly, executive vice president of The Democracy Collaborative says “Broad-based ownership is [the missing piece](#) to make stakeholder service real for companies. Young business leaders need to learn about businesses with stakeholder service in their DNA, supported by ownership cultures in which workers share in the value created.”

New resource to help baby boomer-owned businesses with succession planning

As an entire generation of Baby Boomer business owners looks towards retirement, a group of partners has launched a [new resource](#): the [North Carolina Employee Ownership Center](#) (NCEOC). The NCEOC provides education on employee ownership as a strong exit option that also preserves jobs and the local community. It has a particular focus on preserving minority businesses.

‘Democratic employee ownership’ given \$24m

US funding institute [Kendeda](#) is giving US\$24m in grants to four projects to boost ‘democratic employee ownership’.

Kendeda, based in Atlanta, Georgia, is sharing the money between [The Fund for Employee Ownership](#), a new initiative at Evergreen Cooperatives in Cleveland, Ohio; the [ICA Group](#) of Northampton, Massachusetts; [Nexus Community Partners](#) in St. Paul, Minnesota; and [Project Equity](#) in the San Francisco Bay Area.

Kendeda adviser Diane Ives said the grants have three goals: making communities “more vibrant by retaining more businesses and expanding local ownership”; improving job quality and confronting the “racial wealth gap that has long divided American communities”; and to “inspire the philanthropic and impact investment communities to see democratic employee ownership as a necessary – and profitable – strategy for business growth”.

Trump touts capital gains tax

Trump administration officials are divided over whether to give investors a [big tax cut](#) that would primarily benefit the rich before the 2020 election heats up in earnest.

Republican senators and conservative anti-tax groups are increasingly pushing the administration to use executive authority to deliver a tax cut to investors on profits they earn when selling assets like stocks or bonds. Such a move would defy a legal opinion issued in 1992, under President George Bush, and add an estimated \$100 billion to the national debt. The move is attracting attention in the UK where tax changes under the previous Conservative regime removed the incentive for long term holding.



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ABOUT NEWSBRIEF

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

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