



NEWSPAD AWARDS 2022

Congratulations to Centrica, Dr. Martens, Kier Group, and National Grid on being judged best in category; and to AstraZeneca, Jet2, and Solvay for receiving high commendations in the *newspad* All-Employee Share Plan Awards 2022. The full report of the awards presentations is in the *April edition of newspad*.

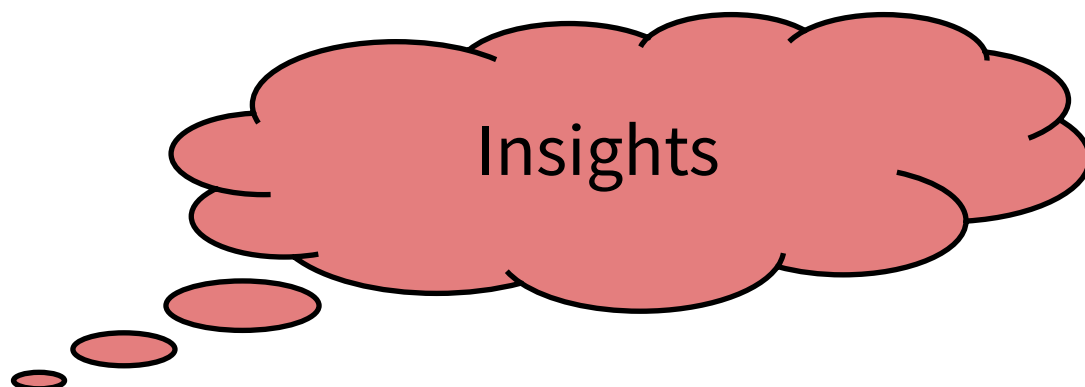


EVENTS

Webinar— April 27

Our next webinar is the Esop Sofa Review panel at 11:00 on Thursday April 27. Chaired by Global Shares' Darren Smith, panellists Jennifer Rudman of Equiniti and Elliot Alexander of Computershare will be joined by ShareGift's Gabbi Stopp to

discuss the SIP/SAYE Call For Evidence announced in the Spring Budget, along with their pick of articles from recent editions of *newspad*. I hope you and your colleagues will join us. Registration form is at [Registration \(gotowebinar.com\)](https://gotowebinar.com)



LIBRARY OF WEBINAR BROADCASTS:

Employee Share Schemes, Levelling-Up & Social Mobility; Why Employee Share Ownership Matters; International Share Schemes: Exporting the Vision; Esop Sofa: Hot Topics In Employee Share Ownership – Newspad Review V; Share Schemes And The Impact Of Inflation; The Future of Gig Working As A Dynamic Economic Alternative; The Employee Voice: Share Plan Votes ; Esop Sofa: Hot Topics In Employee Share Ownership – Newspad Review IV; Innovative Tax Techniques For Employee Share Schemes; Share Schemes For Non-Employees & The Gig Economy; Esop Sofa: Hot Topics In Employee Share Ownership; Building Back Better With Your Employees Through Shared Ownership ; EOTs: The Credible Alternative To Succession; The Role of Employee Share Schemes In Achieving The UN Sustainable Development Goals; Esop Sofa: Hot Topics In Employee Share Ownership - Newspad Review ; Beyond Brexit: EU-UK Social Security Contribution Rules; Esop Sofa: Hot Topics – newspad Review; The Share Valuation Worked Examples Group In The Changing Valuation Landscape ; Looking Ahead To 2021: Moving Beyond Brexit In Financial Services Regulation; Insights Into Share Valuation for Employee Share Schemes: Revealed Through Dynamic Case Studies; Lessons From Lockdown: Re-Assessing How You Manage Share Plans In A Digital Way; Employee Share Schemes: Innovative Communication Strategies Guaranteed To Increase Employee Take-

Up ; Selling Your Company To An EOT - How It Differs From An MBO; Institutional Investors' Views On The Use Of Share Plans; Esop Sofa – Hot Topics; Employment-Related Securities: The Complexity Unravelled Into Practical Application; Employee Ownership & The Future Of Capitalism; Could Equity Be Used To Replace A Portion Of An Employee's Salary?; The Case For Employee Share Ownership: The Heart Of The Matter Revealed; Esop Sofa Lockdown Stories; Share Valuation: The Wisdom On Price-Setting For Your Employee Share Schemes; Tools Of Engagement: The Power Of All-Employee Plans; Awarding Shares To Employees In A Covid-19 World; The Employee Share Trust: Establishing A Dynamic Market For Your Employee Share Schemes; How To Ensure All-Employee Share Plans Remain Relevant; Esop Sofa - What Are Today's Big Employee Share Ownership Questions?; Enterprise Management Incentives (EMIs) – Powerful Lessons From Five Practical Case Studies; Enterprise Management Incentives (EMIs) – Igniting Your Business By Sharing Success; Esop's Tales: The Foundation Of The Esop Centre.

Broadening horizons, Z/Yen Group is hosting a range of webinars over the coming weeks. For a full listing of Z/Yen, Long Finance, FS Club, and Esop Centre webinars look here - <https://fsclub.zyen.com/events/webinars/> - or sign up for mailings - <https://fsclub.zyen.com/#Subscribe>

CENTRE & MEMBERS' NEWS

UK: Are you ready for this year's annual share plan reporting?

Baker McKenzie's Jeremy Edwards, Gillian Parnell and Will Clifton reported in *Lexology* that following the end of the UK tax year on April 5 2023, *annual share plan returns may now be filed online* with HMRC. All companies with open share plan registrations with HMRC are required to submit an annual return, even if it is a nil return (i.e., even if there has been no share plan activity during the 2022/23 tax year). The deadline for submission is July 6 2023. HMRC will not send companies a reminder to file their share plan returns.

An annual return needs to be submitted by July 6 2023 for the 2022/23 tax year for each share plan that has been registered with HMRC online (unless it had been de-registered in a previous tax year). The return will need to cover all reportable events between April 6 2022 and April 5 2023. Reportable events include:

- ◆ For options – the grant (including on a rollover/assumption), exercise, assignment or release for consideration (not a lapse for nil consideration) or the receipt of a benefit in connection with the option
- ◆ For Restricted Stock Units (RSUs)/ conditional share awards – the grant, vesting, assignment or release for consideration (not a lapse for nil consideration) or the receipt of a benefit in connection with the award
- ◆ The purchase of shares under share purchase plans (and potentially the grant of purchase rights)

Tax. Simplified. IR35: Celebrity winners and losers

In Travers Smith's latest Tax. Simplified. podcast episode, Mahesh Varia, head of incentives and remuneration, and knowledge counsel, Kulsoom Hadi , discuss two recent cases involving intermediaries linked to Gary Lineker and Eamonn Holmes and their implications for other workers providing their services in this way and their clients.

When a worker provides services to an end client through an intermediary (such as a personal service company) special rules (known as IR35) can mean that the worker is taxed as an employee rather than a self-employed person. In recent months, there have been several cases in which HMRC has challenged the intermediaries of well-known TV and radio presenters. The differing results showing how complicated these rules can be to apply. Follow [this link](#) to listen.

Malus and ESG - Barclays Bonus Bashed and more...

Proxy adviser, Glass Lewis, recommends a vote against the Barclays remuneration report. This is owing to the failure to adjust the 2022 LTIP vesting for the former cfo. Barclays was hit by an SEC penalty in September for \$17.7 billion of unauthorised sales of structured financial products. Barclays settled \$361m with the SEC and set aside £450m for investor compensation, helping to lower net income by 19 percent.

CORPGRO's [Damian Carnell points out](#) that banks are hugely important to the global

economy. They are heavily regulated for good reason. Individual bank failures historically have resulted in extensive customer losses and insolvency. More latterly to avoid systemic bank collapse, central bank and government support leaves the final cost of bank failure with the taxpayer.

France: Value-sharing within a company: upcoming changes

White & Case's [Cécilia Grosjean and Alexandre Jaurett](#) wrote in *Lexology* that on February 10 2023, the national social partners concluded an interprofessional collective bargaining agreement on value-sharing, which has since been signed by the majority of the representative unions.

The agreement will come into force once approved by the Ministry of Labour. It introduces new duties for companies and formulates proposals to be transcribed in a "faithful and complete" manner in the draft employment act, as indicated by the Prime Minister, Mrs Elisabeth Borne.

The aim is to generalise the sharing of value for all employees, in particular those employed in small companies who do not currently benefit from a company profit-sharing scheme.

Companies employing between 11 and 49 employees will have to set up a value-sharing scheme. To date, only companies employing at least 50 people are required to set up a mandatory profit-sharing scheme ("régime de participation aux résultats de l'entreprise"). On a five-year experimental basis, the agreement provides for certain companies employing between 11 and 49 people to set up a legal value-sharing scheme (i.e. either a

mandatory profit-sharing scheme, a voluntary profit-sharing scheme ("intéressement"), a value-sharing bonus ("prime de partage de la valeur"), a voluntary contribution by the employer to a company savings plan, an intercompany savings plan or a retirement savings plan. It applies to companies: incorporated as a corporation; with a positive net taxable profit of at least one percent of turnover for three consecutive years; and are not already covered by a value-sharing scheme, with the exception of the value-sharing bonus (formerly called "Macron's Bonus").

This provision is scheduled to come into force on January 1 2025.

Working from home is becoming the preserve of the less ambitious and less productive

Friend of the Centre, Prof Len Shackleton, [writing in the Telegraph](#) said that homeworking, like other forms of flexible employment, is rarely out of the news. This week, JP Morgan told senior bankers globally that they need to work from the office. The bank is joining Goldman Sachs, which announced last year that it would be banning hybrid working. There are some benefits to remote working – the trouble is, hard evidence is lacking.

Many companies are frustrated with flexible working, a sentiment which Rishi Sunak appeared to share in 2020. Discussing the benefits of being in an office at the start of his career, the PM said it was "really important" for young people in particular to be in a workplace. They make contacts, learn from seniors and absorb the firm's culture.

But a look at recent figures on home-working show that those seniors are not around much to learn from. Those aged over 35 are far less likely to be regularly in the workplace. Of those earning more than £50,000 per year, 80 percent work from home part or all of the time.

Some businesses certainly feel that they need people back in the office. But home-working is more pronounced in public sector organisations. Nearly half of all public sector employees work at home at least part of the time, despite government attempts to encourage a return to the workplace at the end of the pandemic.

It is unsurprising that workers want to work from home: it reduces the tedium of commuting and saves hard cash. There are also gains in work-life balance for some, particularly those with children and living in spacious houses. The case is often made that it boosts productivity, by enabling people to get more done with fewer breaks, taking fewer sick days and reduced labour turnover. Again, hard evidence is lacking. It is largely anecdotal, as there are few properly controlled studies.

But the UK's productivity record has been poor since the global financial crisis. In the public sector – which accounts for a growing share of the economy – it is in decline. The ONS showed public sector productivity fell by 1.3 percent in the third quarter of 2022 alone.

A key flaw in proposals on new legislation on flexible working is that the term has come to focus entirely on the perceived benefits to workers. If businesses are not voluntarily entering into these arrangements, it may suggest that they worry flexibility imposes significant costs. And if there are indeed costs from flexible

working, reasoning suggests that these costs will eventually be passed on to consumers, taxpayers and workers themselves, in the form of lower pay.

Fieldfisher acts on trio of employee trust buy-outs

Three recent transactions completed for Fieldfisher EOT clients – **a financial planner, a design and engineering consultancy and a garden furniture designer** – reflect the diversity of businesses choosing employee ownership as the business model.

The employee ownership team advised on the creation of three new employee ownership trusts, securing a sustainable future and succession plan for more British companies.

In December 2022, Fieldfisher acted for Dorset-based Blue Sky Financial Planning on transferring 100 percent of its shares to an EOT; followed in March 2023 by the transfer of FMDC, a London-based design and engineering consultancy which specialises in designing facades for buildings, to an EOT; and most recently, Gloucestershire-based garden furniture retailer **Bramblecrest** is now majority owned by an EOT on behalf of its 50 employees.

Meanwhile, Fieldfisher's **Graeme Nuttall** announced that he has started a new position as Board Member, Experts' Board at **Inštitut za ekonomsko demokracijo** (Institute for Economic Democracy, which promotes employee ownership and participatory culture in Slovenia and the wider region).

UK NEWS

The Times named **Lewis Silkin's** Oliver Fairhurst "Lawyer of the week" following the high-profile court case against John Lewis over a Christmas advert featuring Edgar, a fire-breathing dragon. In 2019 the author of a self-published book alleged that there was a similarity between the TV campaign and her book, and publicised her claims on several occasions since then.

[Find out more about the case and read his full interview.](#)

Ocorian was voted 'best administrator-client service' in the **Private Equity US Emerging Managers Awards**. The awards acknowledge outstanding performance among emerging fund managers and service providers.

SG Kleinwort Hambros has been recognised as Best Private Bank in the UK by Euromoney and WealthBriefing. The award is for achievements, innovation and excellent client service over the past year.

JTC reports record growth, revenue and new business in annual results

On April 12, JTC announced a strong set of annual results for '[an outstanding year of growth and innovation](#)', with the firm achieving revenues of £200m for the first time.

Ceo, and 2021 *newspad Esop Star*, Nigel Le Quesne commented "2022 was arguably our best year ever in my 30 years at JTC. We reached the £200m revenue milestone, generated 12 percent net organic revenue growth, secured record new business wins of £24.6m and delivered an underlying EBITDA margin of 33 percent. All of this was achieved while integrating a record seven acquisitions from 2021 onto our global platform."

UK rises to second place ranking for best place to work for share options

With the CSOP and EMI reforms effective from April 6, the UK has now risen to second in the world rankings for the most attractive place for high growth companies to offer tax-efficient stock options, according to the venture capital firm Index Ventures.

FCA to make UK more attractive

The Financial Conduct Authority has laid out plans to "make the UK a more attractive place for business". The move comes after several firms ditched the UK in favour of foreign markets, [City A M reported](#). The 12-month plan aims to achieve "better outcomes for consumers and markets" including reforms to the UK's listing regime and an overhaul of consumer protections. The FCA will set out further proposals in the next year to reform the listing rules.

Economy stalls during February

[The economy saw no growth in February, after being hit by the effects of strikes by public sector workers, according to figures from the Office for National Statistics.](#) A rise in construction activity was offset by walkouts by teachers and civil servants, said the ONS. The lack of growth follows a surprise 0.4 percent jump in economic growth in January.

Failure to scrutinise big tech tax avoidance

HMRC is failing to scrutinise potential tax avoidance by big tech firms, the Public Accounts Committee (PAC) warns. It says officials are not paying enough attention to the new digital services tax on firms' earnings in the UK, [the Guardian reported](#). The PAC warned British tax authorities are not reviewing it properly because they only intend for it to be temporary. The tax generated 30 percent more than expected in its first year of operation, which the PAC also noted could highlight a flaw in HMRC's forecasts.

Professional bodies challenge government on tax simplification

The Institute of Chartered Accountants in England and Wales (ICAEW), together with the Chartered Institute of Taxation, Institute of Chartered Accountants of Scotland, Association of Taxation Technicians and Low Incomes Tax Reform Group, has written to the Financial Secretary to the Treasury. The bodies expressed their regret at the government's **decision to abolish the Office of Tax Simplification**.

The letter notes the clear mandate given to officials in the Treasury and at HMRC to focus on simplicity in tax policy and administration. The bodies offered their support to help officials realise this aim. The letter outlines the processes the professional bodies consider are needed:

- ◆ Identify the characteristics of tax simplification.
- ◆ Ensure someone is accountable for delivery of tax simplification.
- ◆ Include simplification declarations in tax information and impact notes.
- ◆ Gain external input to policy design and implementation.
- ◆ Seek feedback from a broad range of stakeholders.
- ◆ Ensure HMRC and Treasury engagement groups include tax simplification as a standing objective.
- ◆ Increase awareness and improve guidance.
- ◆ Allow time for development and integration of systems.
- ◆ Adopt a consistent approach across tax regimes.

Increase in National Living Wage

The National Living Wage for people aged 23 and over increased by 9.7 percent to £10.42 on April 1. This is the largest ever cash increase in the National Living Wage and will impact millions of people. Those aged 21 and 22 will see their pay increase by 10.9 percent to £10.18 per hour, while pay for younger workers and apprentices will also rise by 9.7 percent. **The changes** follow recommendations made to the government by the Low Pay Commission (LPC) in the autumn. The LPC is now consulting on National Minimum Wage rates for April 2024 and beyond.

EMPLOYEE OWNERSHIP NEWS

Employee-owned firm wins First Minister's manufacturing award

North Berwick-based Jerba Campervans has won the **First Minister's Award for Manufacturing Leadership** for its outstanding efforts in employee engagement and welfare.

The campervan conversion firm accepted the award from Nicola Sturgeon at Bute House in Edinburgh after showcasing its 100 percent employee-owned status.

Co-founders of the firm, Simon Poole and Catherine Brookes, along with trustee, David Miller, were able to discuss the company's long-term goals and ambitions with the First Minister when they went to collect the prize.

WORLD NEWS

Book: Internal communication and employee engagement

Nance McCown's book, co-edited with Rita Men, Hua Jiang and Hongmei Shen is set to be published on April 25. Collaborating with nearly 40 internationally known, respected scholars and industry professionals across the book's 22 chapters, they hope the resulting set of case studies on internal communication and employee engagement will inform business leaders, scholars, and students for years to come. One reviewer even stated: "Does your organisation want more engaged employees? Read. This. Book. Through diverse global case studies, it's an encyclopaedia of approaches to, and answers for trust issues, greater DE&I, crises, employee activism, new technologies, the changing workplace and more. It's a must-read for communicators and leaders." *Bruce K Berger, PhD; Professor Emeritus, University of Alabama; Founding Director of the Plank Center for Leadership in PR; and former CCO, Whirlpool Corporation and President of Whirlpool Foundation.*

Follow the link: <https://bit.ly/42HV07Y> to order.

Fall in interest rates?

Interest rates in major economies are expected to fall to pre-pandemic levels owing to low productivity and ageing populations. The International Monetary Fund said increases in borrowing costs are likely to be "temporary" once high inflation is brought under control.

It added that low goods and services productivity would help bring inflation down. However, it did not say exactly when interest rates were set to fall back to lower levels. The Bank of England has been raising interest rates since December 2021, from 0.1 percent to 4.25 percent, [the BBC reported](#).

USA: Elon Musk broke law with threat to Tesla workers' stock options, court rules

A US appeals court has ruled that [Elon Musk violated federal labour law](#) by tweeting that employees of Tesla would lose stock options if they joined a union, according to *the Guardian*. The New Orleans-based 5th US circuit court of appeals upheld a decision by the US National Labor Relations Board that said the 2018 tweet amounted to an unlawful threat that could discourage unionising and ordered Musk to delete it.

Amid an organising campaign at Tesla's Fremont, California, plant by the United Auto Workers (UAW) union, Musk tweeted: "Nothing stopping Tesla team at our car plant from voting union ... But why pay union dues & give up stock options for nothing?"

The UAW president, Shawn Fain, applauded the decision but said it also highlights "our broken US labour law".

"Here is a company that clearly broke the law and yet it is several years down the road before these workers have achieved a modicum of justice," Fain said.



Z/Yen Group Limited t/a The Esop Centre. Registered office:
1 King William Street, London EC4N 7AF. Company number
2965552 England

+44 (0)20 7562 0586 | esop@esopcentre.com |
www.esopcentre.com

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:

T: +44 (0)20 7562 0586

E: juliet_wigzell@zyen.com