

# **NEWS RELEASE**

16/10/02

## **Employee Share Schemes Bill becomes Law**

### **Lazarowicz celebrates triumph for Co-operative Party**

The Co-operative Party achieved another political success today when Edinburgh North and Leith MP Mark Lazarowicz's Employee Share Schemes Bill received an unopposed Third Reading in the Lords. This was the final stage in the parliamentary process before the Bill is given Royal Assent.

The Bill changes the law covering employee share schemes in order to promote greater employee ownership of UK companies. It provides tax concessions to encourage the transfer of shares to an employee trust. This will benefit in particular small and medium-sized businesses that seek to become partly or fully employee-owned. The Bill also promotes employee shareholding by ensuring that employee representatives have a right to sit as trustees on the boards of trusts set up to manage employee share schemes.

National Secretary Peter Hunt said: "The smooth progress made by this Bill demonstrates how effective we are in getting our message across in Parliament. Thanks to the work of the Co-operative Group of MPs, the Government has recognised that the measures we are proposing can help deliver greater productivity through promoting share ownership and involving employees in decision-making.

"The Co-operative Party believes in promoting democracy and accountability throughout society. It is only right that proprietary businesses should have the opportunity to take on board some of the progressive practices that mutuals and co-operatives have pioneered so successfully".

Mark Lazarowicz commented: "I am delighted that the Employee Share Schemes Bill has attracted such wide support from MPs and Ministers. The Government is keen to promote an enterprise culture in the UK; once again

the Co-operative movement has proved its ability to deliver workable legislation in support of a key Government objective.

“I have been particularly impressed by the commitment of the Co-operative Members of both Houses, all of whom have worked hard to ensure that I have been able to call on widespread Parliamentary support at every stage of the legislative process. Our team also enjoyed invaluable support and from Job Ownership Ltd, who were instrumental in helping fashion a workable piece of legislation”.

The new legislation will come into effect from April next year.

**- ENDS -**

**More information:**

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Job Ownership Ltd promotes employee ownership all over the world.  
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**Notes for editors:**

There are 29 Labour & Co-operative MPs, 7 MSPs, and 5 Welsh Assembly Members. The party's first *Co-operative Agenda for Labour*, published in 1997, formed the basis many of the achievements of the 1997-2001 parliament, including the establishment of the Food Standards Agency, The Social Exclusion Unit's support for Credit Unions, and the raising of the majority vote required for Building Society de-mutualisation.

*The Co-operative Agenda for Labour 2* (£5 + p&p) sets out a range of policy objectives for this Parliament Tel: 020 7367 4150.

The Employee Share Schemes Bill is the second piece of Private Members legislation implemented by Labour and Co-operative MPs this year. Gareth Thomas's Industrial and Provident Societies Bill, which protects co-operatives and community mutuals from asset stripping, became law in July 2002.