

ProShare update lobbying and political activity

A key part of our role as the voice of employee share ownership and of governance professionals is to ensure our voice is heard by policy makers in Whitehall and Parliament.

The new leader of the Labour Party, Keir Starmer, appointed his shadow team in mid-April, shortly after taking up his position. Given the interest of the party in employee ownership we wrote to both Annaliese Dodds, Shadow Chancellor and Ed Miliband, Shadow Business Secretary to make them aware of our policy asks and offer our support to help make employee share schemes even more effective and attractive to employees and employers.

The epidemic has focused many minds on the discrepancies in how employees are treated, particularly those in the gig economy currently excluded from participating in these schemes, and we believe there is the potential for fruitful discussions once the immediate pressures ease off. Our letters outlined our full list of policy asks, as determined late last year in our policy super focus group. We also referenced the Labour Party's plans to create a Ministry for Employment Rights and our willingness to work with this new shadow department.

Members may also be interested in recent work of the Institute and the resulting legislation in May. The Institute's policy department is in regular contact with government departments including the Department for Business, Energy and Industrial Strategy (BEIS) in particular. We have been particularly busy in recent months supporting our members manage basic company processes such as hosting an AGM.

Once it became clear that it would be difficult for organisations to hold their general meetings during the pandemic, we contacted the law firm Slaughter and May to seek their help in producing guidance. Our aim was to help organisations balance their duty to hold an AGM against their duty to ensure the safety of their shareholders and staff. We sought approval from Financial Reporting Council (FRC) and BEIS for the guidance, giving it regulatory weight and it was published on 17 March.

Once lockdown was introduced on 23 March we established a working group with four leading law firms to update the guidance which was re published on 27 March and again supported BEIS and the FRC. The following day, the Government committed to passing legislation to address these issues in law, together with issues around corporate insolvency.

The legislation – the Corporate Insolvency and Governance Bill - was published last Wednesday, 20th May and is expected to become law in early June. Through our efforts, companies will be released from the requirement to hold a physical meeting or, indeed any meeting at all, until 30th September, and this deadline can be extended further if necessary. The legislation also removes any doubt over the legality of virtual meetings in the UK and addresses practical issues, such as the need for a quorum, which might arise.

It takes time and dedication to develop this kind of relationship with a government department and the results of this work are not always obvious or immediately apparent. Times like this demonstrate how useful it is and how it ensures we have the access and influence to directly advise on issues in the best interests of our members.