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Tachograph experts take the employee ownership road

St. Andrews-based **Lisle Design Ltd** has announced its move to employee ownership. The transaction completed earlier this year, but the firm wanted to hold off any public announcement until the Covid situation began to improve. The company, a tachograph technology business, has grown to a £2 million revenue firm in 15 years and has carved a reputation supplying innovative products and intelligence to household names across Europe.

It means the 14-strong firm, that counts German multinationals Continental and ZF Group among its client base, joins Scotland's fast-growing employee-owned community.

The business was set up by Managing Director, 68-year-old Mike Lisle, and was the first company to develop a digital tachograph download tool, Digidown, which is now used throughout Europe to provide quick intelligence on driving data.

Starting in 2002, the business grew from Mike's own home, before expanding in 2007 to take up

residence within the St. Andrews New Technology Centre. The business was growing well until March 2020, when in common with many other businesses, sales fell off a cliff due to the Covid-19 pandemic.

Mike Lisle, Managing Director of Lisle Design Ltd, said: "Despite Covid we managed to carry on and by the end of the financial year to March 2021 had recovered the lost ground. We were extra pleased how the employees helped find ways to follow the Covid rules and still carry on without need for furlough. The current financial year is back on target for 20% growth.

"For some time, I have been looking towards a succession plan and had considered a number of options. Selling to a corporate buyer was an option, but I had reservations of what happens after that. In contrast to other companies in our market, Lisle Design explicitly works as far as possible with local suppliers and subcontractors. At the same time

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First Friday

September 3rd

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**Trustee
Training**

September 24th

the company prides itself in working closely with customers as business partners.

“It was from there I decided the best route was to adopt employee ownership and seek the assurance of an Employee Ownership Trust. Given the strong relationships with our customers and suppliers, and the business itself succeeding naturally, ensuring the company continued to flourish in the hands of the employees felt like the best move for everyone involved.

One of Mike’s main concerns was ensuring the business stays local as he looks to reduce his role over the next five years. The news of the move to employee ownership was met with delight from the staff.

Mike, said: “An important aspect for going employee-owned was the need to maintain local connections. We are proud to support, and be supported by subcontractors across Scotland: from metal work in Musselburgh and plastic mouldings in Glenrothes, to circuit board assembly in Livingston and so on. These partnerships are incredibly important to our success - going with a corporate company may have put these at risk.



Mike Lisle

“After telling the staff about the decision, I was met with big, enthusiastic grins. I want the staff to know that they are valued and that the business recognises the hard work they do day in, day out.

“At the other end of the business, when our customers/business partners were told of the change they were uniformly delighted that the business relationships will carry on essentially undisturbed.”

Meet the EOB - ERS Remediation

Contaminated soil and groundwater are the core business of specialist contractor, **ERS**. We are a team of 35 employee-owners, using our wide range of scientific and engineering expertise to undertake investigation and remediation work across the UK from our Glasgow headquarters and a number of regional offices.

ERS was initially established in 1994. Managing Director Andrew Mackenzie’s vision for a business model which involved all of ERS’ employees fitted well with the employee ownership concept, where employees have a stake in the business, take pride in its achievement and have a share in its success. ERS became 100% employee-owned on the 26th of October 2016.

The company’s success depends on client satisfaction and exceptional performance. ERS’ Trust Deed sets out that it “strives to be the leader in its field”, an aspiration supported by staff dedication and continuous development. This is reflected in our shared company values: Passion, Respect, Integrity, Diversity and Enlightenment. Each



word demonstrates ERS’s PRIDE in its employee-owned status.

As an employee-owned business, ERS has gone from strength to strength, remediating many challenging sites from bus garages to dry cleaners and chemical works using numerous novel and often bespoke systems. Even now with the brownfield re-development and wider construction market facing many challenges, we - as employee owners - are determined to see our company flourish.

- **Tobietta Rhyman**

OAUK News

It is so good to be getting out and about and visiting companies again. There has been an increase in the number of companies enquiring about employee ownership and several new projects starting, with a few just about to complete. We're also seeing more companies announce their move which may have completed while lockdown restrictions were in force. Companies recognise that this was a challenging time for a lot of people and it didn't fit well to celebrate such a positive change when staff were furloughed or home working. **Lisle Design** was one such firm and a great example of a visionary owner opting to keep the skills and employment locally. It's great to see their good news gain such wide coverage.

Another well-received announcement was that of the **new additions** to the Scotland for Employee Ownership board. Many Ownership Matters readers will know Tom, Tony and Bruce and will be more than convinced of their passion for the employee ownership model. I believe it's fair to say that Scotland for Employee Ownership hasn't made much of an impact to date having launched in a blaze of publicity in 2018. I'm greatly encouraged by these new appointments and I'm hopeful we'll see some positive initiatives emerge with their involvement.

It was wonderful to listen to Jesse Norman's **Oakeshott Lecture** – although he was adamant it wasn't a lecture! I had the immense privilege of working closely with Jesse during my time at the Employee Ownership Association. It was such an exciting time to be there when there was so much focus on employee ownership at Westminster. Bear in mind that the 2014 Finance Act was announced as an austerity budget and that makes the EOT tax exemptions all the more remarkable. Jesse suggested that previously there has been disproportionate focus on John Lewis when in fact there were many ways to become employee-owned. He recognised that progress had largely been driven by those who champion the model and that includes all the successful employee-owned firms flourishing today. Westminster has been largely silent on employee ownership since the introduction of the EOT and it was good to hear about the proposed tweaks to the EOT legislation.



In my view, these are good proposals that will ensure the EOT continues to provide a sound foundation for the bona fide employee-owned business.

We are incredibly lucky in the UK to have **Graeme Nuttall OBE** as an advocate for employee ownership and particularly blessed that Graeme appears to have a soft spot for Scotland. I'm delighted that he has agreed to speak at a Scottish Enterprise virtual event. The session is aimed at Scotland's adviser community but will appeal to anyone interested in the EOT model and what's next in terms of priorities. Further details will be announced shortly but do keep 23rd September free.

Following on from last month's article on Social Good Connect, the organisation that facilitates business involvement in charities, there will be an open webinar to find out more on the 25th August at 12.30pm.

Finally, can I encourage all of Scotland's employee-owned firms to consider entering for the **WeDo Scotland awards**. These were postponed from last year due to the Covid constraints. It's the first time a prestigious mainstream awards ceremony has featured a category specifically for employee-owned businesses, and of course, there is nothing to stop anyone entering for more than one award! As we've seen with all of our award winners so far, it does so much to raise the profile of employee ownership in Scotland's entrepreneurial business community and convince others of the success of the structure.

Thanks as always for your contributions to this edition. Enjoy the read!

- Carole

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Pineapple Award for Collective Architecture

Collective Architecture's Granton Waterfront development has won a prestigious Pineapple Award.

Granton Waterfront sits about three miles north of Edinburgh city Centre, in a "necklace" of coastal communities from Cramond in the west to Portobello in the east. Granton's successful transformation holds the potential to reconnect the city to the water and to build on wider ongoing regeneration projects to transform Scotland's capital into a unique coastal city. The team at Collective Architecture set out an ambitious vision which aims to protect and extend the existing green space within its boundary and transform the former industrial land at Granton Waterfront into a place where people want to live, work and visit.

The judges were struck by an incredibly ambitious project that takes a genuine and comprehensive approach to inclusion and social equity; from its considered approach to education and lifelong learning, to the way it



gives surrounding communities free access to the sea. The project brings back into use something that is already there, a beautiful natural asset. The judges described this project as powerful and environmentally and socially sustainable.

Jude Barber, Director at Collective Architecture said 'This project is testament to so many people's hard work and ambition, most notably our client, City of Edinburgh Council, who had that original vision for where the city wanted to go and lead the way in terms of low carbon and climate resilience'.

Pineapple awards are the only UK award that celebrate the best in places that thrive and where people want to live, work, play, shop or learn.

Mairi Laverty wins 'Young Architect of the Year'

Collective Architecture's Mairi Laverty has won the prestigious 'Young Architect of the Year' at the Scottish Design Awards 2021, which were held remotely on the 15th of July.

Mairi joined Collective Architecture in 2008 and qualified as an architect in 2012. Since 2008 she has designed and delivered a wide range of projects, most notably she successfully designed and delivered the £1.2M Cutty Sark Centre for Bellsmyre Community Trust in 2017, and most recently the £2.3M Larick Centre for Tayport Community Trust. Both these community buildings had complex briefs and tight budgets – which Mairi developed into beautiful and coherent buildings.

Mairi was nominated for the award due to her "ability to balance exceptional design with the skills required to bring clients, communities, consultants and contractors on the journey to delivering high quality projects". Her nomination also praised her unwavering design ability, which is infused with rigour, empathy, determination, and good humour.



Mairi Laverty

Mairi said, "I'm delighted and humbled to be selected for this award. It's an honour to receive this amongst the high design talent that was demonstrated across each category, and being shortlisted alongside Jamie Anderson and seeing the fantastic work that he has produced. I would like to thank all those who I have collaborated with over the past few years who have played a big part in helping to shape my career so far".

International support for employee ownership as a force for good

The role of employee ownership in raising global environmental, social and governance standards is gaining increasing recognition around the world. In his landmark Gandhi Foundation lecture Graeme Nuttall OBE called for “E.O. v3.0 :Employee ownership with added Gandhian Purpose.” He stated that employee-owned businesses should be an exemplar for reducing inequality, tackling climate change and sustainability especially as we emerge from the challenges of the pandemic.

Graeme is recognised internationally as a leading expert in employee ownership and served as government adviser on employee ownership to the Coalition Government of 2010-2015. Graeme’s efforts led to the introduction of the Employee Ownership Trust which was a game changer for the UK EO Sector. Graeme has been advising bodies in Australia, the US, Canada, Japan and South Africa on how to encourage more employee ownership in their economies.

Graeme’s call for EO companies to commit to good corporate citizenship was acclaimed by bodies in the UK and beyond. The **UK Employee Ownership Association, Employee Ownership Wales, Scotland for Employee Ownership, Irish ProShare Association and Employee Ownership Australia** all endorsed his sentiments. In July 2020, these organisations **jointly announced** they encourage every employee-owned company to make an overall positive contribution to society and the environment, as part of promoting the success of the business, and to make this commitment in the strongest possible terms. Co-operative Development Scotland also said employee ownership is key to a stronger, more resilient, productive and fair economy.

This call is continuing to gather support across the world.

Art Hosokawa, Chair of the Japan Employee Ownership Association said: “We are happy to join in the circle of employee ownership organizations supporting Graeme Nuttall’s message to encourage every employee-owned company to make an overall positive contribution to society



Graeme Nuttall



and the environment. Ownership culture, being the qualitative essence of employee ownership, directly works as the driving force of all caring stakeholders. Taking positive actions for society and the environment is in the blood of employee-owned companies”.

Tendani Nelwamondo, Founding Director of Southern Africa Employee Ownership Association said: “We join the many organisations encouraging employee-owned companies to make a positive contribution to society and the environment and to commit to this aim in the strongest possible terms. Increasing employee ownership of enterprises makes an important and relatively uncontroversial contribution to reducing inequality and broadening employees’ sense of inclusion in the economy. ‘EO’ has huge potential as part of a wide range of strategies that benefit society and the environment including in COVID-19 economic recovery plans, saving jobs in company reconstructions, addressing economic challenges like renewable energy generation and as an option for a business owner struggling to find a suitable buyer for their business. Furthermore, these values can be promoted throughout a company’s value chain.”

Deb Oxley OBE, Chief Executive of the (UK) Employee Ownership Association, said: “We hear from many of our employee owned members that making a positive contribution to society and the environment is a priority – with 70% of respondents in the White Rose Survey identifying it as being part of their purpose. In addition, 77% felt employee ownership was a responsible way to model their business. It is a no brainer to make

(Continued)

a call for employee owned businesses to be exemplars as they are practiced at developing and sharing their best practice, not just on being good EO businesses, but also on developing as good corporate citizens.”

Andrew Clements, Chair of Employee Ownership Australia added: “In Australia we are seeing strong interest in businesses seeking to create broad based cooperative employee ownership models. There is a strong correlation

in Australia between businesses looking to create cooperative employee ownership models and those with desire to advance effective environmental, social and governance outcomes. It recognises that the engagement of employees through a broad employee ownership structure is a critical element to engage employees as key stakeholders in thinking and acting about ESG in a productive way. It has been seen as part of a broader facilitation of overall business success.”

25 years of ESPL

Shetland headquartered pharmaceutical regulatory business ESPL celebrates 25 years in business, having been established on 16 July 1996. ESPL started as an electronics consultancy by Tony Erwood, and then re-focused on Regulatory Affairs following Helen’s joining in 2000. The company has grown to become an employee-owned business offering expert regulatory support across a wide range of areas. ESPL supports pharmaceuticals, medical devices and other product types through development and regulatory application procedures and lifecycle, as well as conducting training. Helen Erwood says “We are absolutely delighted



to have reached this milestone, and would like to thank all those who have supported us, and worked with us during this time.”

WeDO Scotland Awards



Applications open on Tuesday 17th August for the WeDO Scotland Awards and this time around, there is a category especially for employee-owned businesses! The prestigious awards were cancelled in 2020 due to the pandemic and all previous entrants will be given the opportunity to update their applications for this year’s competition. Check out the [WeDO Scotland website](#) for more information.



New Board appointments at Scotland for Employee Ownership

Following a rigorous selection process, Scotland for Employee Ownership announced three new board members:



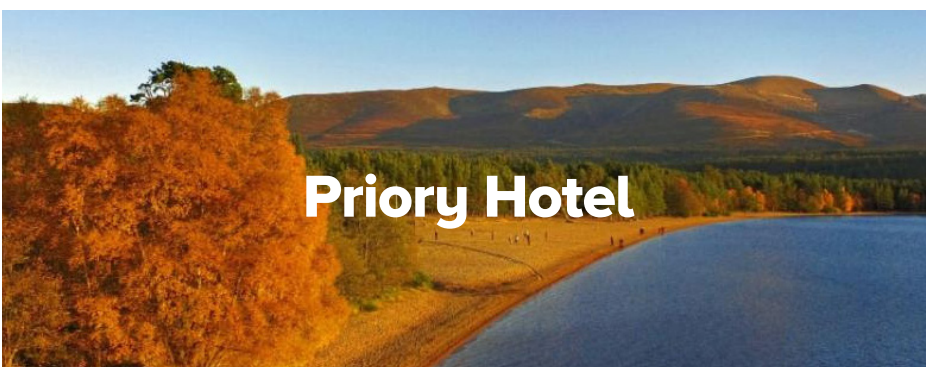
Tom Warren will be well-known to employee owners who have attended the First Fridays and Trustee Training events. Tom is an architectural technologist and EO advocate for the EOB Collective Architecture.



Tony Marks is founder and CEO of 2020 business group which consists of the UK and US operating companies and the Intellectual Property holding company.



Bruce Farquhar is Chair and Partner at the legal firm Anderson Strathern LLP. He has extensive experience in advising and working with EO businesses.



If you're looking for a nice, safe break away for you, your loved ones, family and or friends, what about a trip to beautiful Beaulieu in the stunning Scottish Highlands? The Priory Hotel is running a special offer. Go to www.priory-hotel.com and enter the code **GOLF10** and get a 10% discount from accommodation bookings.

Rt Hon Jesse Norman delivers Oakeshott Lecture

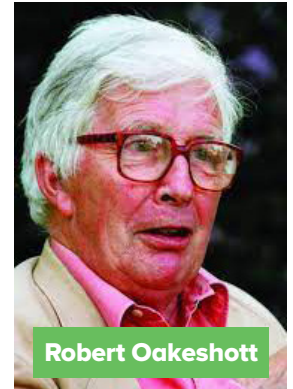
The Rt Hon Jesse Norman MP, Chief Secretary to the Treasury, has been a long and passionate supporter of employee ownership and it was encouraging to hear him recognise Scotland's efforts in promoting the model in this year's Oakeshott lecture. This is an annual event commemorating Robert Oakeshott, one of the founding fathers of employee ownership in the UK. Jesse insisted he was there to talk, not lecture, as Robert had little tolerance of formality, being of the mind that everyone was equal and there should be no hierarchy.

In what was a warm, entertaining and informed talk, Jesse charted the progress of employee ownership since Robert first introduced him to the concept in the early 1990s. The real progress started in 2011 when the Coalition government of the time appointed Graeme Nuttall as Adviser on Employee Ownership, and launched the Nuttall Review which led to the introduction of the Employee Ownership Trust (EOT). This completely changed the landscape for employee ownership in the UK with 139 new companies using the EOT to become employee-owned in 2020 alone. Jesse paid particular tribute to Scotland's champions for employee ownership.

He did urge the sector not to be complacent and suggested there was still much work to be



Jesse Norman



Robert Oakeshott

done. He believes there is a case for some tweaks to the legislation in order to improve employee engagement and discharge better the policy intent of the employee ownership trust.

First of all there is a suggested requirement that the employee ownership trust trustee must be resident in the United Kingdom to protect the trust from onward sales overseas and secondly a requirement that former major shareholders should not form a majority of the trustees or trustee directors and finally the inclusion in the legislation of an express statement of the purpose of an employee ownership trust as being to promote long-term employee ownership.

Throughout his talk, Jesse emphasised the collaboration and co-operation inherent in the employee ownership world. Despite their polar political differences, Jesse and Robert were united in their belief that employee ownership provided a fair and robust structure for business. You can view the lecture [on this link](#), Jesse's lecture starts at 15m30s. It's well worth a listen.

Social Good Connect Webinar

25th August at 12.30

Find out more about how volunteering and community involvement can inspire and engage employees and help build a better business, as well as give back to the community.

Email Katherine@OwnershipAssociates.co.uk to register



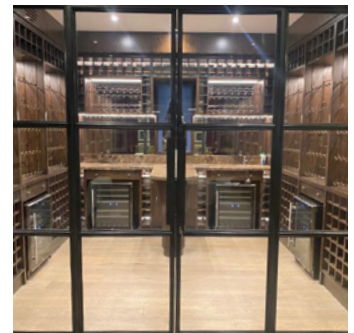
Social Good
Connect

Bentleys complete bars for Balmoral

The Bentleys' crew have been busy remodelling one of Scotland's most iconic hotels. The Dundee based firm, employee-owned since 2016, has completed the Wine Tasting Cellar situated in the Number One Restaurant at the Balmoral Hotel, Edinburgh. This was designed, manufactured and installed by the Bentleys in-house teams.

If wine isn't your tippie, wait to see what they have done with Scotch, the whisky bar in the hotel. Again, all designed manufactured and installed in-house. The aim was to create something stunning that would grab people's attention as they walk past the bar entrance.

MD Grant Montgomery is happy the company met the brief. "We have been working with the Balmoral Hotel for many years and they trust us to deliver the highest quality workmanship, with minimal disruption to their operations. We're pleased at the result and I look forward to visiting once the cellar and whisky display are fully stocked." It's been a busy time for the company. Grant continues, "Many organisations have seized the opportunity of the lockdowns



to refurbish and improve their locations. We have a great team here who can deliver to the most exacting specifications and deadlines. Yes, there have been challenges as most companies have experienced but we are looking at a healthy order book and a bright future."

Trustee Training - September 24th

This two hour session aims to equip Trustees to fulfil what is a pivotal role within the employee-owned company. The session is in two parts and is delivered over Zoom. You can join for both parts, or if you have already attended Part 1 or a previous session, you're very welcome to join only for Part 2.

Part 1: Information giving – legal duties of trustee, responsibilities, the Trust deed, the Trustee role. 9.30am – 10.30

Part 2: Case Study – group work on a trustee dilemma in an employee-owned company. All groups work on same case study, come together to report on discussions. Everyone says this is tremendously useful. 10.30 - 11.30

To register your interest email carole@ownershipassociates.co.uk