

MP calls for law change to help John Lewis remain employee-owned

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[ohn Lewis](#) would be helped to remain staff-owned by a proposed law to be tabled in Parliament, according to an MP.

Former minister [Gareth Thomas](#) said his plans would act as “rocket fuel” for mutual companies, while staving off the need to give up decision-making powers to investors.

Reports last week suggested John Lewis is considering ending its 100% staff-owned structure, with the partnership’s chairwoman [Sharon White](#) exploring plans to sell a minority stake in the business to raise cash.

[Labour](#) MP Mr Thomas plans to introduce the Co-operatives (Permanent Shares) Bill on Wednesday, aimed at helping companies with the same ownership structure as John Lewis to remain “owned firmly by [British](#) people”.

The chair of the mutuals all-party parliamentary group told the PA news agency: “It is the route to help John Lewis stay completely employee-owned.

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“At the same time, it would potentially help co-operatives and mutuals access significant capital to invest in their businesses, expand the services they offer, and more.”

“It will allow co-operatives and mutuals to issue shares that would not change the governance structure of their business.

“The return for the investor is similar to a traditional loan or a bond in that way.

“There is a dividend or interest return, but crucially what you don’t give up is significant ownership rights.”

He added: “Basically it is rocket fuel for the co-operative and mutual sector.

“It would help to provide significant capital investment for them over time without risking fundamental changes in the way their business operates.”

The Harrow West MP said similar legislation had been introduced in Australia in the last few years, adding: “Mutuals over there are raising significant sums of capital via this route and investing it in for example retirement housing in the case of one.”

He claimed attempts to introduce similar powers recently had been scuppered by the Government, telling PA: “I still don’t understand why the Treasury and why Treasury ministers are not interested in this issue because it is holding British businesses back, it is holding British businesses like John Lewis back, it is holding back the expansion of co-operative and mutual businesses.”

Mr Thomas insisted that mutuals and co-operative companies helped to ensure there was “healthy economic competition”,

adding: "What mutuals bring is because they are not having to generate a profit to pay external investors or external shareholders, they do not have to worry to the same extent about those people.

"They can concentrate on quality of service and quality of products."

He went on: "We need a mixed economy, we don't need every big business to be owned by shareholders, often overseas shareholders.

"It is essentially British people who own this great British business and we want it to stay like that.

"My Bill on permanent shares is the route to do that, to keep it owned firmly by British people, for British customers."

A John Lewis Group spokesman said: "We've always said we would seek partnerships to help fund our transformation and exciting growth plans.

"We've done this with Ocado in the past and now with abrdn.

"Our partners, who own the business, will be the first to hear about any developments."