

****A****

****BILL****

****TO****

Reinstate funding for Cooperatives.

****BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—****

****1 Definitions****

(1) A cooperative will be defined as a company which is owned by the employees of said company, and in which no shareholder holds 25% more of the company than another.

i) These employees must have a say in how the cooperative is run in order for the company to qualify as a cooperative.

(2) A Credit Union can be defined as a financial cooperative, providing credit and other financial services to its members, and in which no shareholder holds 25% more of the company than another..

i) These members must have a say in how the credit union is run in order for the organisation to qualify as a Credit Union.

(3) An investment bank can be defined as a financial institution that assists individuals, corporations, and governments in raising financial capital by underwriting or acting as the client's agent in the issuance of securities (or both).

****2 Establishment of Credit Unions****

(1) A Local Authority Credit Union (LACU) shall be established in every local authority in the United Kingdom.

i) These authorities are defined in the Local Government (England) Act 2016, the Local Government (Scotland) Act 1994, Local Government (Wales) Act 1994 and the Local Government (Boundaries) Act (Northern Ireland) 2008.

ii) These LACUs shall be registered in accordance with the Credit Unions Act 1979 and the Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 201(1)

(2) Each authority will nominate one elected representative of that authority to sit on the board of directors of the Credit Union.

(3) During a three month period, which will commence immediately after this bill is enacted, any member of the public who wishes to become a member of their LACU will be able to do so by paying an annual membership fee of £10.

i) The membership fee for subsequent years will be decided by the members of the LACU.

(4) After this three month period, the members of the LACU will elect 10 representatives to the board of directors.

i) The electoral system used for electing these members will be single transferable vote.

(5) The framework under which the Credit Union operates will be decided by the board of directors in consultation with all members.

i) The framework for operation proposed by the board of directors must be voted on by all members.

ii) The framework proposed must adhere to the provisions set out in the Credit Unions Act 1979 and the Legislative Reform (Industrial and Provident Societies and Credit Unions) Order 201(1)

****3 Funding for Local Authority Credit Unions****

(1) The local authorities defined in 2, Sub-1, lause i shall each receive an equal share of £560,000,000 of government funding for their LACU.

i) This funding will be included in the budget for the Secretary of State who oversees labour-related matters.

ii) Each authority will receive £5,000,000 of government funding for their LACU.

****4 Funding for Cooperatives****

(1) £1,000,000,000 of government funding shall be made available to investment banks or credit unions to lend to any cooperative or community benefit society which is registered under the Co-operative and Community Benefit Societies Act 2014.

i) The investment banks and credit unions must prove that all £1,000,000,000 is loaned to cooperatives or community benefit societies.

ii) The investment banks and that receive the funding will be chosen based upon which institutions were providing the most financial assistance to cooperatives and community benefit societies in the previous financial year.

iii) This government funding allocated under 4 cannot be given to any LACUs.

****5 Assistance with Recruitment****

(1) Any employee of a cooperative or community benefit society registered under the Co-operative and Community Benefit Societies Act 2014 will be entitled to a reduction of 1% in the first income tax bracket.

i) The cost of this tax reduction will be absorbed by the department responsible for labour-related matters.

****6 Assistance with the Administration Burden****

(1) The department responsible for labour-related matters will maintain an in-house department of legal experts who can assist cooperatives in compliance with regulations as well as the record-keeping costs associated with the running of a cooperative or community benefit society.

(2) If this in-house department deems it necessary then funds will be made available to cooperatives who need financial assistance with record keeping costs.

i) £50 Million will be made available for this in-house department.

****7 Cooperatives Education****

(1) Any examination board that provides a Business: Administration General Certificate of Secondary Education (or equivalent) or Business: Administration Advanced Level (or equivalent) must include education about cooperatives on the syllabus.

****8 Repeal****

(1) The Cooperatives (Repeal) Act 2019 is hereby repealed.

****9 Commencement, Extent and Short Title****

(1) This act shall come into force immediately upon Royal Assent.

(2) This Act shall extend to the whole of the United Kingdom.

(3) This Act shall be known as the Cooperatives (Reinstatement) Act 2020.

****This bill was written by the Shadow Secretary of State for International Development, Right Honourable Captainographer PC MP for the South East, on behalf of the Official Opposition.****

Mr. Deputy Speaker,