



News release – Embargoed until 00:01 hours on 19 December 2013

Co-operative and Community Benefit Societies Bill – a consolidation of the law

A Bill to modernise and simplify the law governing co-operative and community benefit societies has been introduced into the House of Lords. The Co-operative and Community Benefit Societies Bill is a consolidation of existing legislation, for which the Law Commission for England and Wales and the Scottish Law Commission are responsible.

The existing law on co-operative and community benefit societies is complex and out of date. At its centre is the Industrial and Provident Societies Act 1965, which is itself a consolidation of earlier legislation. The Act has since been amended and supplemented by other Acts and secondary legislation.

The purpose of a consolidation is to bring together all the law on a subject into a single Act while preserving its effect. The new Bill consolidates the 1965 Act and subsequent legislation. It modernises and simplifies the language of earlier legislation and omits provisions that no longer have any practical effect. It also gives effect to some recommendations for changes to the law made in the Commissions' report that accompanies the Bill.

The Bill was introduced on 18 December by HM Treasury and will follow the procedure for consolidation Bills. It is expected to have a second reading in the new year, after which it will be scrutinised by the Joint Committee on Consolidation Bills.

Sir David Lloyd Jones, Chairman of the Law Commission for England and Wales, said:

“Co-operative and community benefit societies have an important role to play in our communities. The existing legislative framework that governs these bodies is fragmented and out of date. It poses difficulties for existing societies and may well be a deterrent to new co-operatives and public benefit societies being formed.

“If implemented, this Bill will modernise and simplify the law in this area, to make it clearer, more logical and intelligible, and easier for people to use.”

Lady Clark of Calton, Chairman of the Scottish Law Commission, said:

“The legislation relating to co-operative and community benefit societies originates in the 19th Century. It has been much amended over the years, in part to keep pace with company law, the regulation of financial services and European Union law.

“All this legislation is important but the framework it has left us with is overly complex. This consolidation brings together all the primary legislation into one Bill, preserving the effect of the existing law while making it better able to meet the demands of modern society.”

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Notes for editors

1. The Law Commission and the Scottish Law Commission are non-political independent bodies, set up by Parliament in 1965 to keep all the law of England and Wales and of Scotland under review, and to recommend reform where it is needed. Their functions include the consolidation of statute law.
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