



Better Self-Employment

Employment group report October 2017

Summary

Background

In this report we look at self-employment from the perspective of those who have had difficulties making it work. We examine the causes made evident to us in engagement with clients. Our aim is to highlight their problems and provide recommendations to improve their prospects.

Choice

We note that self-employment is a choice to be working but self-directed, outside formal employment and so without the safety-net of employment law. The decision can be a cruel experience for the job-seeker who has practical skills but little business expertise.

Things go wrong

There is a need for advice that goes beyond the formalities of setting up a business. Our Case Histories show where a 'word from the wise' might have avoided difficulties caused by: unsupported advice, accepting the trap of bogus-self-employment, failure to observe small print, and even the problem of getting paid. They illustrate a worrying lack of awareness of the practicalities of self-employment.

The client

There must be a proper understanding between the prospective client and whoever is bidding to do the work. Paper work is a necessity and way of confirming what has been agreed: it can't be limited to an invoice open to challenge at the end of a job or to satisfying the needs of HMRC.

The gig economy

We look particularly at the Uber model. In its basic form this is an opportunity for the self-employed who can choose to use a booking service provided by Uber who also make the service available to potential clients needing transport.

Uber has no contractual duty with either the driver or passenger to provide transport. It merely facilitates contact between them. Drivers need to know the extent and limitations of their commitment. Current developments suggest change might be needed following widely-expressed views that Uber should take more responsibility for the system as a whole.

Recommendations

Bogus-self–employment

We support Matthew Taylor’s proposal (1) that arrangements should be made for claimants to obtain a determination of their employment status before formally taking their case to a Tribunal. In addition, as a matter of fairness, we think time limits for claims should be relaxed to four years so that past cases can be addressed.

Advice

We follow Julie Deane (2) and Taylor in focussing on the need for advice. But this needs to be both practical and accessible. We recommend two complementary approaches – practical advice in the work place and separately by a digital platform:

- a) Through a targeted service in which individuals *with direct personal experience of self-employment* become ‘buddies’ or mentors with the newly self-employed for a fixed period of time.
 - b) A properly funded digital platform providing relevant and topical information in a form that new and early-stage self-employed people find easy to engage with.
- 1) [Good Work: the Taylor Review of Modern Working Practices](#), July 2017
 - 2) [Self-employment review: an independent report](#), BEIS, February 2016

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Download the full report including case histories [here](#).

To contact our employment group or comment on this paper please email:
randc@carbs.org.uk or call 01737 377 520

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