

Getting people back to work

Before the lockdowns there were some 5 million self employed people in this country. Most of them will continue as self employed but never take on a first employee and start the progress of building a bigger business. They are very valuable anyway, offering goods and services in flexible and attractive ways. They are a crucial part of the UK economy.

It is now an urgent task to tackle the unemployment the virus has already created and the possible job losses that could follow as the furlough scheme is wound down. Today I would like your help, by asking what changes to law, taxes and regulations should the government make to persuade more of the self employed to take on that first member of staff or that first apprentice to grow their business and to help bring down unemployment?

Some self employed I know used to run small businesses, but gave up on them and returned to working on their own for themselves. Going over the VAT threshold caused a lot of administration and worry. Choosing the wrong employee could land them in difficulties, without the resources a large company has to manage the odd difficult staff member. Conscious of the many duties of employers, they decided they would rather spend all their energy on serving clients and customers themselves, and limit their business size to their own work rate.

I have taken up the cause of the self employed in various ways. I have asked for the end of the threat to change IR35 and prevent some people from being self employed. I was one of those who asked for a self employed version of the furlough scheme for those banned from working. I think the VAT threshold could be raised to help. I want the public sector to turn to small business and the self employed for some of their work where the flexibility and price are helpful. So often public sector contracts are too large for small business, and the procurement process is biased in favour of the large companies.