

Open Letter to: Paul Scully MP - Under Secretary of State for Small Business,
Consumers and Labour Markets, BEIS

From: Freelancer & Contractor Services Association (FCSA)

19 May 2021

Dear Minister

In 2019, the Government announced plans for a new Employment Bill to improve workers' rights, promote fairness in the workplace, and establish a new single enforcement body to offer greater protections to workers. During 2020, we fully understood the necessity for HM Government to focus resources on COVID related support packages, leading to the inevitable delay in the new Employment Bill.

However, the contingent workforce has continued to rise. The UK now has over 3.5 million freelance workers made up of self-employed individuals, umbrella company employees, as well as zero hours workers.

The 2021 Queen's Speech presented an opportunity to recognise, support and protect freelance workers and compliant businesses in the labour supply chain.

As the leading trade body (promoting the highest standards of compliance) in this sector, we were surprised by the omission of any mention of the Employment Bill, so on behalf of the hundreds of thousands of freelance workers we represent, we would like to highlight the following areas of key importance:

- The increasing need to regulate the outsourcing sector with robust and targeted legislation. The sector is highly complex and rapidly evolving and we feel strongly that the expertise that the FCSA and its member companies bring could be immensely valuable in guiding such legislation.
- Regulation needs to be implemented and soundly governed. An independent and well-resourced regulatory body needs to be established to assure the confidence of the FCSA and other trade bodies, contractors, and the supply chain.
- There is a confusion in the policing of current and future legislation within the freelance sector. For example, we have failed to see any prosecutions of directors regarding loan charge schemes. Prosecutions, rather than deals done at the court door must take priority, thus ensuring that directors, not contractors, are the key targets for enforcement.

- BEIS has committed to the introduction of a single enforcement body. To date this does not seem to have advanced, but we want to call for its prioritisation and understand that its clear intention is to protect contingent workers.
- Much of the current employment legislation does not support freelance workers. It is now clear that areas such as holiday pay must reflect the needs and conditions of the growing number of contractors choosing to work this way, so that they are better protected.

Whilst the lack of an Employment Bill in this year's Queen's Speech will mean a delay to much of this essential future legislation, it does give the opportunity for BEIS, trade bodies such as FCSA, supply chain trade bodies, and worker rights bodies such as BEIS backed JobsAware to come together in earnest to create meaningful progress in informing and developing detailed legislation that will help drive out unlawful and unethical practice.

In the first instance, we would ask you to begin preliminary discussions with these bodies, including FCSA and worker representative organisations, where you can share government priorities in these key areas and to jointly agree on next steps to ensure that the contingent market sector receives the protection and support it needs.

Phil Pluck

FCSA Chief Executive