

# 5 million votes

how to win the support  
of the self-employed

#5millionvotes

**ipse**  
*Manifesto*

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# Foreword

# The world of work is changing.

## It is time policy did too.

New technologies, demographic shifts and changing attitudes about work-life balance have begun to reshape the labour market.

At the heart of this story in recent years has been the rapid rise in self-employment. Since 2008 there has been a 35 per cent increase and there are now 4.97 million self-employed people in the UK, 15 per cent of the workforce. On current trends, there will be well over five million freelancers by the end of the next Parliament.

**At IPSE, we see the growth in self-employment as fundamentally positive. We believe this election offers all political parties a golden opportunity to reset the debate about how government can support self-employment and develop a new approach to the modern world of work. The prize if they do is substantial: winning the trust of nearly five million voters across a diverse range of ages, backgrounds and sectors. As voters in every parliamentary constituency, these individuals will be decisive swing voters in this election.**

From actors and accountants to consultants and construction workers, self-employed people are the lifeblood of the economy. The UK's solo self-employed contribute £305bn to the economy and bring much-needed

flexibility, skills and innovation to projects across the public and private sectors. It is these risk-takers who will be the entrepreneurs that bring growth and value to the economy in the crucial years ahead.

The value of self-employment also lies in the freedom and flexibility it offers. Research consistently shows that the self-employed report higher job satisfaction than those who are employed. In recent years freelancing has become particularly attractive for those who are often furthest from the traditional labour market: millennials, disabled people, retirees and working mothers.

However, freelancers do face several challenges to their way of work. As well as the inherent risks of going it alone, the UK's tax and employment system does not work effectively for them. IPSE's quarterly Confidence Index surveys have shown consistently low economic optimism amongst freelancers.

Brexit, of course, is at the forefront of everyone's minds. For self-employed people, uncertainty over the future relationship has meant many projects and plans are on hold. We need a Brexit deal that works for the self-employed but regardless of the outcomes of the negotiations, we must start to look beyond and address the deeper issues with our economy.

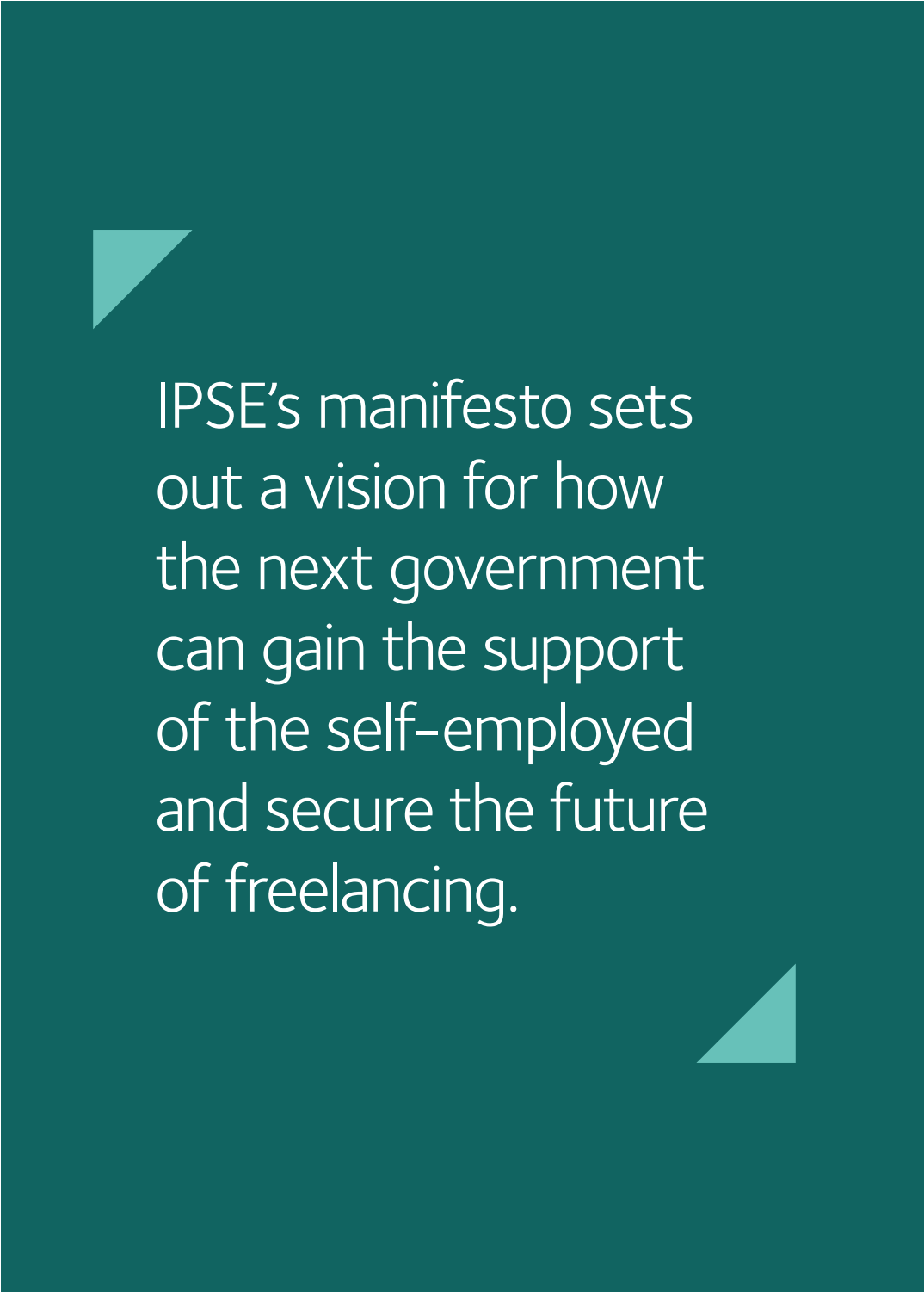
At a critical time for the economy and the country, we need our flexible labour market to be firing on all cylinders. IPSE's manifesto contains policy recommendations to support and sustain self-employment for the long-term by giving freelancers a secure financial future, providing a fair deal on rights and support, and making the UK the best place to be a business. Together, these would provide a massive boost to our economy.

The new world of work is agile, flexible, digital and connected – it is now time for politicians to respond and build a policy environment to match.



# Executive summary





IPSE's manifesto sets out a vision for how the next government can gain the support of the self-employed and secure the future of freelancing.

### We believe the next government should:

Strike a **Brexit deal that works for the self-employed** by prioritising frictionless trade and movement of skilled professionals in future negotiations, and providing detailed guidance for freelancers to prepare for 'No Deal'.

Provide a **secure financial future for freelancers** through a review of the tax system to clarify issues such as IR35, taking action on late payment and enabling better access to financial products like mortgages and pensions.

Agree a **fair deal on rights and support** by extending adequate paternity and maternity rights to freelancers, supporting them to take up training, and designing a welfare system more sympathetic to their needs.

Make the UK **the best place to be a business** by building world-class infrastructure, including superfast broadband, making government contracts freelancer-friendly and incentivising the use of workhubs.

### IPSE's top five policy priorities are:

**Build a modern tax system:** Our outdated, overly complex tax system penalises those who choose to be entrepreneurial and needs updating for self-employment in the 21<sup>st</sup> century. We recommend a full wide-ranging review of self-employed and small business taxation, scrapping IR35 and ending confusion over the Loan Charge to unleash the UK's entrepreneurial spirit.

**End the culture of late payment:** The next government should fast-track plans to strengthen the role of the Small Business Commissioner by giving them powers to fine and 'name and shame' late payers. This would put an end to the time and money freelancers lose every year on chasing unpaid invoices.

**Identify solutions saving in later life:** Prevent a self-employed savings crisis by working with industry to find tailored products for freelancers, such as the sidecar pension, to help them put money away for retirement.

**Update freelancers' parental rights:** Extend Shared Parental Leave (SPL) to the self-employed and take action on maternity/paternity pay, so that parents have equal opportunities to care for their children – and build their own business.

**Incentivise workhubs to boost the high street:** Co-working spaces incubate small businesses, innovation and collaboration at the heart of communities – incentivising the use of empty premises for workhubs through exemptions in business rates could help revive Britain's struggling high streets.

# Summary of recommendations



# A Brexit deal that works for the self-employed

- 1.1 Provide dedicated government advice and support for the self-employed on the implications of 'No Deal'.
- 1.2 Access to the Single Market across key sectors with high numbers of freelancers, such as manufacturing and financial services, and free movement of skilled professionals should be prioritised in negotiations.
- 1.3 Develop a freelancer-friendly immigration system with flexible visa options for high-skilled workers.
- 1.4 Review EU-based legislation that affects freelancers.

## A secure financial future

### Tax

- 2.1 Commission a fundamental review of the UK's tax system and how it affects small businesses and the self-employed.
- 2.2 Repeal the IR35 legislation or, failing this, pause the roll out of the off-payroll working rules to the private sector for at least two years until a full review of its implementation in the public sector has taken place.
- 2.3 The government should drop the harsh retrospective approach HMRC has taken on the Loan Charge and pause for a full independent review.
- 2.4 Commit to no new tax rises or National Insurance Contribution (NIC) increases on the self-employed.

### Late payment

- 3.1 Fast-track plans to give the Small Business Commissioner powers to fine and 'name and shame' late payers; and explore extending the commissioner's mandate to target late paying SMEs as well.
- 3.2 Write the Prompt Payment Code into law to compel companies to pay within 30 days.
- 3.3 Make public sector payment practice the 'gold standard' for private businesses to follow.

### Saving for later life

- 4.1 Government should work with the pensions industry to encourage more flexible savings solutions and test interventions for freelancers to save for later life.
- 4.2 Automatic Enrolment (AE) will not work for the self-employed – instead government should roll-out the sidecar pension scheme, which splits savings between a pension pot and an emergency fund, to the self-employed.
- 4.3 Provide tailored guidance on saving for the self-employed via the Money and Pensions Service, the new single financial guidance body.

### Mortgages

- 5.1 Government and the mortgage industry should work together to explore tailored products and ways of making it easier for the self-employed to successfully apply for mortgages.
- 5.2 Modernise the tax and employment system to make it easier for lenders to assess freelancers' financial situations and de-risk them as customers.



## Business debt

- 6.1** Guarantee the continuation of the Breathing Space scheme, which covers the self-employed, in the next parliament.
- 6.2** Ensure the Money and Pensions Service, the new single financial guidance body, considers self-employed people within its remit.

# A fair deal on rights and support

## Employment status

- 7.1** Deliver a statutory legal definition of self-employment.

## Parental rights

- 8.1** Extend Shared Parental Leave (SPL) to the self-employed so that parents have equal opportunities to care for their children – and build their own business.
- 8.2** Introduce Statutory Maternity Pay for self-employed mothers.
- 8.3** Extend Statutory Paternity Leave to fathers who are self-employed.

## Self-employed disabled people

- 9.1** Increase New Enterprise Allowance (NEA) mentor and benefit support to two years to reflect the length of time individuals need support while establishing their business.
- 9.2** Better publicity for the Access to Work (ATW) programme via Job Centre Pluses, mandate Work Coaches to make all eligible people aware of ATW and allow GPs to refer patients to the scheme.
- 9.3** Re-designing the Work Capability Assessment (WCA) to consider a range of physical and mental health conditions and reduce the chance of incorrect decisions being made.

## Skills

- 10.1** Broaden the apprenticeship levy into a wider skills levy, giving businesses – including recruitment companies – the flexibility to spend on their self-employed workers and different types of training.
- 10.2** Make training for new skills tax-deductible for the self-employed.
- 10.3** Establish a self-employment hub to improve signposting to trusted online training providers.

## Universal Credit

- 11.1** Review Universal Credit's (UC) impact on the self-employed and extend the start-up period of UC to two years.
- 11.2** Reform the 'Minimum Income Floor' by calculating earnings on a quarterly or annual (rather than month-to-month) basis, to account for freelancers' volatile incomes.

## Intellectual Property

- 12.1** Enhance protection for freelancers' businesses in the digital era by reviewing intellectual property law and how it affects the self-employed.
- 12.2** Improve signposting, via Gov.uk, of information about copyright and IP law for both freelancers and clients.

# The best place to be a business

## Connectivity

- 13.1** Deliver super-fast broadband service for all by 2025 and maintain commitment to ensure the majority of the population will be covered by a 5G signal by 2027.

## Workhubs

- 14.1** Incentivise the use of modern co-working spaces/ workhubs through targeted support such as business rates exemptions.
- 14.2** The government should work with councils and Local Enterprise Partnerships to promote the creation of workhubs.

## Government procurement

- 15.1** Open up public procurement to freelancers and smaller bidders by simplifying government contracts and making them easier to access.
- 15.2** Ensure freelancers are considered as part of any procurement target spending on SMEs.

## Co-operatives

- 16.1** Incentivise ways for the self-employed to come together through mutual assistance groups or co-operatives to pool risk and resources
- 16.2** Encourage financial institutions, such as banks and insurance providers, to adopt more flexible arrangements for groups of self-employed workers.
- 16.3** Government should work with IPSE and other stakeholders to develop a 'workertech' pilot.





**Who are the  
self-employed**

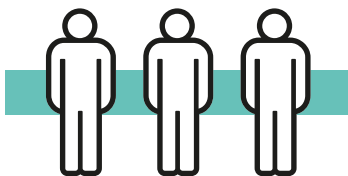
**and why do  
they matter?**

## Economic contribution



**£305  
BILLION**

the value of self-employment  
to the economy<sup>2</sup>



**4.97  
MILLION**

the number of self-employed<sup>3</sup>

## Value to individuals



of freelancers choose self-employment for the flexibility<sup>5</sup>



increase in self-employed women since 2008<sup>1</sup>



of self-employed people are satisfied with their job, 20 per cent more than full-time employees<sup>4</sup>



rise in number of highly skilled freelancers between 2008 and 2018<sup>1</sup>



**A Brexit deal  
that works**

**for the self-  
employed**

The UK's dynamic self-employed workforce has a vital stake in the outcome of the negotiations with the EU.

IPSE's Confidence Index has highlighted how Brexit has caused uncertainty, put investment decisions on hold and negatively affected freelancers' confidence in their business for the last three years.

**As long as leaving without a deal remains a possibility, the government should ensure the UK's smallest businesses are considered in its preparatory guidance notes with a dedicated section focused on small businesses and the self-employed. Longer term, freelancers prioritise access to the Single Market for services and the free movement of skilled professionals.**

Maintaining these will enable freelancers to remain competitive when looking to win work overseas and ensure the UK's self-employment success story continues regardless of the outcome of Brexit.



More than **one in three (39%)** freelancers had at least one project/contract based in the EU (excluding the UK) in the last 12 months<sup>6</sup>



Almost **a third (30%)** of all freelancer contracts in the last year were for clients based in the EU (excluding the UK)<sup>6</sup>



**64 per cent** believe a disruptive 'No Deal' would negatively impact their business<sup>6</sup>

## Recommendations

1

Provide dedicated government advice and support for the self-employed on the implications of 'No Deal'.

2

Access to the Single Market across key sectors with high numbers of freelancers, such as manufacturing and financial services, and free movement of skilled professionals should be prioritised in negotiations.

3

Develop a freelancer-friendly immigration system with flexible visa options for high-skilled workers.

4

Review EU-based legislation that affects freelancers.





**A secure**

**financial  
future**

Too much of freelancers' time is taken up with unnecessary financial struggles like chasing up unpaid invoices, accessing financial products or determining tax status.

**Government should strive to make life as easy as possible for the self-employed and avoid creating new barriers to them running their businesses. Self-employment is growing but our tax system and financial institutions are not keeping up with the pace of change, especially when it comes to accessing savings products or mortgages.**

There is clearly an opportunity for any political party that vows to support self-employment. We believe the next government should be pioneering a bold approach that looks to lift the burden of admin and provide greater clarity across a range of areas.



**60 per cent of freelancers** cite irregular income or unpredictable finances as a key concern<sup>5</sup>



**Around two-thirds of the UK's self-employed** have experienced late payment and freelancers lose an annual average of 20 days a year chasing unpaid invoices<sup>7</sup>



Just **31 per cent of the self-employed** are saving into a pension<sup>8</sup>

## A modern tax system

We need a more modern tax system that genuinely supports our smallest businesses. The current tax system is based on the outdated employer-employee model: it is no longer fit for purpose in an age of growing self-employment and new forms of work. The next government should be pioneering a bold approach that looks to lift the burden of admin and provide greater clarity across a range of areas. A review could also resolve longstanding difficulties within the system, such as IR35 and the Loan Charge.

## Tax recommendations

1

Commission a fundamental review of the UK's tax system and how it affects small businesses and the self-employed.

2

Repeal the IR35 legislation or, failing this, pause the roll-out of the off-payroll working rules to the private sector for at least two years until a full review of its implementation in the public sector has taken place.

3

The government should drop the harsh, retrospective approach HMRC has taken on the Loan Charge and wait until the conclusion of the full independent review.

4

Commit to no new tax rises or National Insurance Contribution (NIC) increases on the self-employed.

## End the culture of late payment

Late payment is the scourge of the self-employed. Around two-thirds of the self-employed have experienced it and freelancers lose 20 days a year on average chasing unpaid invoices. This disruption can lead to stress, anxiety and insecure income.

Freelancers find it difficult to enforce what rights they do have and are fearful of putting commercial relationships at risk by appearing to be 'difficult' chasing up unpaid invoices or charging interest on them.

IPSE led the way in calling for the Small Business Commissioner to be established. But more could be done by fast-tracking proposals to give the Commissioner tougher enforcement powers and ensuring government payment practices lead by example.

## Support with saving for later life

Self-employment is growing but the proportion of those saving enough for later life is not keeping pace. Just 31 per cent of the self-employed are saving into a pension, highlighting the need to act now before it is too late.

A simple solution, such as introducing auto-enrolment for freelancers, will not work for the diverse self-employed. Instead, government and the pensions industry should treat this as an opportunity to develop new, tailored products that can avert a savings crisis.

The sidecar pension, which channels money into both a pension pot and a separate 'rainy day fund' to be drawn on in times of emergency, should be rolled-out and guidance on savings options should be more readily available. Interventions should also be targeted at Millennial and Generation Z freelancers – the future of the freelance workforce.

### Late payment recommendations

1

Fast-track plans to give the Small Business Commissioner powers to fine and 'name and shame' late payers; and explore extending the commissioner's mandate to target late -paying SMEs as well.

2

Write the Prompt Payment Code into law to compel companies to pay within 30 days.

3

Make public sector payment practice the 'gold standard' for private businesses to follow.

### Saving for later life recommendations

1

The government should work with the pensions industry to encourage more flexible savings solutions and test interventions for freelancers to save for later life.

2

Automatic Enrolment (AE) will not work for the self-employed: instead, government should roll-out the sidecar pension scheme, which splits savings between a pension pot and an emergency fund.

3

Provide guidance that is tailored to the self-employed through the Money and Pensions Service, the new single financial guidance body.

## Mortgages: a hand up on to the housing market

Freelancers find it particularly difficult to get on the housing ladder because of their more variable income and the wave of tougher lending rules introduced since 2014. Research has found that more than two thirds of self-employed people applying for mortgages felt that they were asked intrusive questions and had to wait an unacceptable length of time before their loans went through.

But the growing self-employed workforce means lenders are having to become much more open to these potential buyers, who will become an increasingly large market. Five years on from the implementation of the Mortgage Market Review, the government should encourage the mortgage industry to de-risk self-employed people to make it easier for them to successfully apply for mortgages.

## Lift the burden of business debt

For the self-employed, personal and business finances are often intertwined. As a result, many running their own business are vulnerable to issues with debt. For freelancers, some quieter periods are expected and there are also initial investment costs as people set up their own company. But for many it can occur through no fault of their own – late payments, unexpectedly high bills, personal circumstances, delays in receiving benefits or difficulties accessing credit.

Guaranteeing funding for the Breathing Space scheme, that allows a 60-day respite period from enforcement action from creditors would help vulnerable freelancers. Action in this area alongside better online guidance would give the self-employed more peace of mind and support their mental health.

### Mortgages recommendations

A stylized graphic of a house with a roofline and two windows. The number '1' is placed inside the first window and the number '2' is placed inside the second window.

1

Government and the mortgage industry should work together to explore tailored products and ways of making it easier for the self-employed to successfully apply for mortgages.

2

Modernise the tax and employment system to make it easier for lenders to assess freelancers' financial situations and de-risk them as customers.

### Business debt recommendations

A stylized graphic of a computer monitor with a rounded rectangle and a horizontal line. The number '1' is placed inside the rounded rectangle and the number '2' is placed inside the horizontal line.

1

Guarantee the continuation of the Breathing Space scheme, which covers the self-employed, in the next parliament.

2

Ensure the Money and Pensions Service, the new single financial guidance body, considers self-employed people within its remit.



A fair  
deal

on rights  
and support

The self-employed are independent people who recognise and accept that their chosen way of working comes without the framework of statutory employment benefits and entitlements.

However, the government has an important role to play in ensuring there is clarity about who is genuinely self-employed and what they should reasonably be entitled to. Confusion about employment status is at the heart of many of the tax and legal problems that freelancers encounter.

**Many self-employed people are excluded from reasonable support. A more inclusive approach to freelancers would benefit them in their work and home life and ensure they can continue to add value to the UK economy.**

IPSE believes that with a growing number of freelancers more should be done to provide a fair deal on some basic areas where our outdated system risks leaving them behind, from parental benefits to skills training.



Between 2008 and 2018 the number of mothers working as freelancers **increased by 80 per cent**<sup>1</sup>



**One in seven (611,000) disabled people** now work for themselves in their main job, marking a 30 per cent increase over the last five years alone<sup>9</sup>



**Only 12 per cent of the UK's solo self-employed** have taken job-related training in the last three months, compared to 26 per cent of employees<sup>10</sup>

## A modern employment system

Confusion about employment status is at the heart of many of the tax and legal problems that freelancers encounter. There are currently definitions in law for what it means to be an employee and what it means to be classified as a worker, but not for genuine self-employment.

Following the Taylor Review and the debate around 'Good Work' in the 21<sup>st</sup> century, we believe the next government should be radical and deliver a statutory legal definition of self-employment.

This would help individuals better understand if they are self-employed, prevent unscrupulous companies forcing people into disguised self-employment and avoid confusion over their status with those working in the gig economy.

## Employment status recommendations

1

Deliver a statutory legal definition of self-employment to bring clarity and a clearer distinction between those who work for themselves and other employment statuses.



## Updated maternity and paternity rights

The flexibility and independence provided by self-employment can be particularly appealing to new parents. Between 2008 and 2018 the number of mothers working as freelancers increased by 80 per cent. However, those who have children when they are self-employed are at a disadvantage compared to employees.

Self-employed women are only eligible for the lower rate of Maternity Allowance rather than Statutory Maternity Pay, while self-employed fathers are not entitled to Shared Parental Leave, paternity or parental pay. There is no reason why self-employed parents should receive less support, as parental benefits are funded by the state, not employers.

Government should reassess these rights in order to enable more women and men to support their family and their businesses.

## Support for self-employed disabled people

For a disabled person, self-employment can bring greater independence than traditional employment. IPSE research has shown that one in seven (611,000) UK disabled people now work for themselves in their main job, marking a 30 per cent increase in the last five years alone.

Disabled freelancers share many of the same problems as the wider self-employed sector: issues such as late pay, for example, which can be particularly damaging for those with mental health needs. However, they also face some specific challenges that require more tailored government assistance.

### Parental rights recommendations

1

Extend Shared Parental Leave (SPL) to the self-employed so that parents have equal opportunities to care for their children – at the same time as building their own businesses.

2

Introduce Statutory Maternity Pay for self-employed mothers.

3

Extend Statutory Paternity Leave to fathers who are self-employed.

### Recommendations for self-employed disabled people

1

Increase New Enterprise Allowance (NEA) mentor and benefit support to two years to reflect the length of time individuals need support while establishing their business.

2

Better publicity for the Access to Work (ATW) programme via Job Centre Pluses, mandate Work Coaches to make all eligible people aware of ATW and allow GPs to refer patients to the scheme.

3

Re-designing the Work Capability Assessment (WCA) to consider a range of physical and mental health conditions and reduce the chance of incorrect decisions being made.

## Upskilling the self-employed

New skills and qualifications are a gateway to higher earnings and career progression for the self-employed, but finding the time and money to undertake training is difficult. The government's skills and apprenticeships system is overly focused on traditional employees and does not account for the training needs of the self-employed.

Only 12 per cent of the UK's solo self-employed have received job-related training in the last three months, compared to 26 per cent of employees. Upskilling this growing sector is also crucial to tackling the UK's productivity gap with other countries and ensuring it can take advantage of rapid technological change.

## Fixing Universal Credit

Universal Credit (UC) does not work well for the self-employed. There are two critical areas where IPSE believe UC could be reformed: the start-up period and the Minimum Income Floor (MIF). UC does not recognise that businesses like those set up by self-employed often take over a year to get off the ground.

This is the nature of starting a business and we believe UC needs to reflect this reality. For self-employed people, the MIF can exacerbate fluctuating incomes, which some self-employed people are exposed to. Reforming this will smooth out this punitive element of the benefit.

### Training and skills recommendations

1

Broaden the apprenticeship levy into a wider skills levy, giving businesses – including recruitment companies – the flexibility to spend on their self-employed workers and different types of training.

2

Make training for new skills tax-deductible for the self-employed.

3

Establish a self-employment hub to improve signposting to trusted online training providers.

### Universal Credit recommendations

1

Review Universal Credit (UC)'s impact on the self-employed and extend the start-up period of UC to two years.

2

Reform the 'Minimum Income Floor' by calculating earnings on a quarterly or annual (rather than month-to-month) basis, to account for freelancers' volatile incomes.

## Protecting intellectual property

A common concern of freelancers, particularly in the creative industries, is that their ideas are unprotected and can be copied or reproduced without credit by others. It's a serious threat to the time and effort freelancers invest in their ideas.

Government should look at how this area of law affects the self-employed and start-ups. It should consider how freelancers' access to advice and support on IP law can be improved, as well as how clients could be sanctioned for unauthorised use of content and services. This will be particularly important should the UK leave the EU and decide to review legislation – such as the EU's Directives on copyright – that covers this area.

### Intellectual Property recommendations

A large, faint lightbulb icon is positioned on the left side of the dark teal background. Inside the lightbulb, the numbers '1' and '2' are displayed in a light teal color, corresponding to the two recommendations listed to the right.

1

Enhance protection for freelancers' businesses in the digital era by reviewing intellectual property law and how it affects the self-employed.

2

Improve signposting, via Gov.uk, of information about copyright and IP law for both freelancers and clients.

# The best place

# to be a business

**Many self-employed people are still held back by a business environment that does not work for them.**

Major cities such as London are generally a good place to start a business in the UK. However, there are a number of difficult barriers, which mean for many people it is hard to become, or remain, a freelancer.

As freelancers work at home and on the move, priorities should include, firstly, improved broadband and mobile coverage across the UK. Increasing the availability of workhubs or co-working spaces in UK towns and cities could also incubate more small businesses, as well as promote innovation and collaboration.

We have outlined a range of simple steps the government can take to create a business environment that will help the self-employed to thrive.



**78 per cent of the UK's self-employed** said reliable broadband is the most important tool to enable remote working<sup>11</sup>



**2 in 5 people** using co-working spaces are freelancers<sup>12</sup>

## Incentivise workhubs to boost the high street

Co-working spaces are incubators of small businesses, innovation and collaboration. Research suggests they increase the productivity of those using them and have a positive multiplier effect on local businesses. More workhubs could play a vital role in reviving Britain's struggling high streets.

However, only 13 per cent of freelancers regularly use workhubs and at present their growth remains restricted by planning policy. To enable more co-working spaces, government could exempt workhubs with fewer than five premises from business rates, incentivise the use of empty properties for this purpose and streamline the planning system.

LEPs could also promote workhubs through their local industrial strategies – at present many are keen to support entrepreneurs and SMEs but do not have the guidance or incentives to do so.

## Workhubs recommendations

1

Incentivise the use of modern co-working spaces – 'workhubs' – through targeted support such as business rates exemptions.

2

The government should work with councils and Local Enterprise Partnerships to promote the creation of workhubs.

## Better broadband and infrastructure for business

Self-employment needs the right physical and digital infrastructure so that people can work and travel in an agile way. Priorities should include, firstly, improved broadband and mobile coverage across the UK. 78 per cent of the UK's self-employed said reliable broadband is the most important tool to enable remote working.

Good connectivity is essential to being able to work from home or while traveling, communicate with clients, find new work opportunities and market your business. As freelancers work at home and on the move, Wi-Fi and mobile networks are both crucial: moving quickly on both fronts would particularly benefit entrepreneurs in rural areas, who are often overlooked.

## Freelancer-friendly government procurement

Public sector contracts have the potential to be a major source of new business for the UK's freelancers. At the same time, the government stands to benefit from the innovation, creativity and expertise of the self-employed workforce. Procurement could be made more accessible by breaking up large contracts, simplifying tenders and making them easier to access.

While IPSE welcomes the ambition to have 33 per cent of procurement spending going on SMEs, the public sector could go further. Earmarking 10 per cent of procurement spending for start-ups or freelancers and marketing tender opportunities with a contract value of less than £100,000 specifically for this group would be a positive step in this direction.

### Connectivity recommendations



1

Deliver super-fast broadband service for all by 2025 and maintain commitment to ensure the majority of the population will be covered by a 5G signal by 2027.

### Government procurement recommendations



1

Open up public procurement to freelancers and smaller bidders by simplifying government contracts and making them easier to access.

2

Ensure freelancers are considered as part of any procurement target spending on SMEs.

## Self-organised, self-employed

Co-operatives, new digital platforms and membership groups allow people to come together, share information and pool benefits and resources. In response to 2017's Taylor Review into Modern Working Practices, the government committed to creating a "WorkerTech Catalyst" to encourage greater collective voice among the self-employed. However, there has been little in the way of concrete action.

While many freelancers value their way of work for the independence it brings, there may be merit in trialling new models of self-employed co-operatives. Such co-operatives could help freelancers in a range of ways, from organising collective action to chase up chronic late payers to pooling savings products, or even acting as consortia to bid for government contracts.

### Co-operatives recommendations

1

Incentivise ways for the self-employed to come together through mutual assistance groups or co-operatives to pool risk and resources.

2

Encourage financial institutions, such as banks and insurance providers, to adopt more flexible arrangements for groups of self-employed workers.

3

Government should work with IPSE and other stakeholders to develop a 'workertech' pilot.



The new world  
of work is agile,  
flexible, digital  
and connected  
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## References

1. IPSE (2019), *Self-employment in the Modern Economy*, available: [ipse.co.uk/resource](https://ipse.co.uk/resource)  
\*Please note, the terms freelancer and self-employed are used interchangeably throughout for ease of reference. Full definitions are available in the above publication.
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## About IPSE

IPSE – the Association of Independent Professionals and the Self-Employed – is the representative body for the UK's self-employed community, including freelancers, contractors, consultants and independent professionals. With more than 78,000 members and representing the views, concerns and skills of some 4.9 million of the UK's self-employed, IPSE is the largest organisation of its kind in Europe.

Our mission is to represent and promote the interests of the UK's self-employed population. We achieve this through a comprehensive policy agenda, research programme and services to members. We endeavour to be the most appreciated source of protection and information for independent professionals in the UK. We also work to provide legislators, regulators and businesses with authoritative and comprehensive policies to enhance the ability of self-employed people to deliver economic impact.

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