

GMB Union submission to Treasury Select Committee COVID-19 Inquiry

GMB Union is a national trade union with over 600,000 members. We are a general union with membership in both the public and private sectors.

1. Scope of this submission

GMB Union is working closely with the TUC and government departments on the COVID-19 response, and we welcome the government's openness to engage throughout this time of national crisis.

The package of support, announced by the Chancellor on 20 March 2020, was welcomed by GMB. The package will secure people's jobs and wages, and it will help to drive economic recovery on the other side of this crisis.

However, the issues faced by self-employed workers were not sufficiently addressed within the workers' support package announced on 20 March 2020. This submission focusses on two key areas those who are self-employed and workers who have to self-isolate and will only receive Statutory Sick Pay.

2. Self-employment, Statutory Sick Pay, and COVID-19

GMB represents self-employed members in a number of industries, including but not limited to:

- Taxi and private hire drivers
- Construction workers
- Delivery drivers and couriers
- Gig economy workers

As a national trade union, GMB has strong working relationships with a number of companies whose workers are self-employed.

In 2019, GMB signed a landmark agreement with courier company Hermes, to give workers employment protections, holiday and sick pay. In negotiations with GMB, Hermes have set fund aside for the purpose of enabling couriers who have to self-isolate to be guaranteed support for up to 14 days above SSP levels. It should also be noted that as people practice social distancing, many couriers and delivery drivers are becoming indispensable to communities.

However, not all companies choose to treat their self-employed workers in this way, insisting they are completely self-employed and that the company has no responsibilities for those workers. Many self-employed workers are also not able to immediately reduce their costs (such as those relating to vehicle hire) in line with their recent fall in income.

Those who are genuinely self-employed have no company to call on or rely on in extremis. There are now more than 5 million self-employed workers in the UK, a figure

that has risen by 4 per cent in the last year alone.¹ It is vital that self-employed workers are not left at a detriment because of their employment status.

GMB represents hundreds and thousands of workers who have or will need to self-isolate. GMB has in many cases secured arrangements for workers to receive full-pay. However, as the requirement to self-isolate, and now the imposition of social distancing, could mean many hundreds of thousands if not millions of workers who will now either only receive SSP at £94.25 or will have to rely on accessing Universal Credit.

GMB presses government to explore a similar package to the job retention scheme to underwrite payroll for all workers or at the very least offer the same terms as 'furloughed' workers.

Failing to address the problems faced by these groups of workers in the government's employment package may disproportionately have a negative impact on workers with protected characteristics.

While we recognise and welcome the action that Treasury has taken to support the wages of employees who are stood down from their duties, urgent action is still needed to raise the Statutory Sick Pay (SSP) rate and make it fully available to the self-employed.

The SSP weekly rate is only 20 per cent of median UK earnings² - the rate must be urgently reviewed and increased ahead of the planned annual uprating on 06 April. A third or more of older workers (those aged 65 or above) and younger workers (those aged 24 or below) are entitled only to SSP provision (of workers with some form of sick pay arrangements).³

3. Government action

In order to ensure self-employed workers are not forced into poverty, or in trying to avoid financial hardship continue to work through symptoms, it is essential the government take the following steps:

- Allow self-employed workers to access Statutory Sick Pay from day one
- Raise the Statutory Sick Pay to a level sufficient to prevent workers being forced to attend work while sick, which is contributing to the transmission of COVID-19
- Mandate companies who use self-employment for their workers as a business model to guarantee average wages if the worker is no longer able to work due to self-isolation or becoming ill

¹ ONS, Labour market economic commentary: March 2020

² ONS, Annual Survey of Hours and Earnings 2019, Table 14.1a

³ The Work Foundation and NatCen Social Research, health and wellbeing at work: a survey of employees, 2014

- Extend wage protections to self-employed workers on the same basis as other workers – government guaranteeing wages up to £2500 per month
- Look for ways to utilise the self-employed workforce as key workers, beyond those already covered – taxi and private hire drivers for example could provide a safer, much needed alternative for public sector workers in urban areas who are braving (still) crowded public transport.