



Business, Energy and Industrial Strategy Committee

House of Commons, London SW1A 0AA

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Rt Hon Alok Sharma MP
Secretary of State for Business, Energy and Industrial Strategy
1 Victoria Street
London SW1H 0ET

24 March 2020

Dear Alok,

The impact of coronavirus on our society, our economy and our lives is unprecedented, and my Committee will provide supportive scrutiny of the Government in the challenging weeks and months ahead.

We welcome the measures announced by the Chancellor of the Exchequer to support businesses and employees; the Government's income replacement scheme will ensure that millions of workers' jobs and livelihoods are protected over the coming months, and the package of measures announced for SMEs will ensure the survival of those companies.

However, there are still gaps within the Government's strategy that require urgent action.

If we, as a society, are to get through this together, we will need equality of sacrifice. As we ask every person and every worker to make sacrifices, so we should expect that every worker enjoys protection against lost work and income.

In particular, I urge the Government to provide further support to the self-employed and freelancers who have lost work as a result of the response to Coronavirus. While employed workers are covered by the new income replacement scheme, there are many who are self-employed, freelance or in otherwise precarious work who are not covered.

One in seven people working in the UK is self-employed. Last week, my Committee heard from the Association of Independent Professionals and the Self Employed (IPSE):

... the key issue here is that this is not just a health crisis. It is going to become an income crisis for millions of people. If you get this virus or you are advised to self-isolate, it is one question as to how you can then access funds to cover the two weeks that you will have to recover, but if you are facing no income for the next three or potentially four months as a result of projects being cancelled and events not happening, and you have rent to pay, food costs, childcare and all the rest of it, we need to be moving very quickly to [...] more of a temporary income protection fund, so that people can basically keep their businesses alive and, at the same time, cover basic living costs.

Under current rules, should the self-employed and freelancers lose work or be unable to work, they only have recourse to Universal Credit at a rate equivalent to Statutory Sick Pay of £94.25. It is arbitrary that the self-employed should see the large part of their income disappear, while other workers enjoy Government protection. Norway, Germany, Italy and France have all introduced ambitious schemes to support their self-employed and freelance workers; the UK must follow suit.

These are unprecedented times, and the Government has already taken unprecedented steps to support citizens and communities through this crisis. As a Committee, we welcome those steps, but more action is needed. I urge the Government to extend the income protection scheme announced on Friday to the self-employed, to increase the rate of statutory sick pay to the real living wage to help those who are sick or self isolating, and to take the ambitious steps required to support the over five million self-employed people in the UK through this crisis.

Yours sincerely,

A handwritten signature in black ink that reads "Rachel Reeves." The signature is written in a cursive, flowing style.

Rachel Reeves MP
Chair of the Business, Energy and Industrial Strategy Committee