



«AddressBlock»

Uber Verdict (5 minute read)

«GreetingLine»

Friday's ruling in the Uber tribunal is going to have consequences that self-employed people are going to affect the way we engage our workers and how we are engaged by our customers. Most of all it is a boost for all of us who want a fairer jobs market – and a slapping down for businesses who feel they can deny the most basic rights of workers: no minimum wage, no sick pay, no paid holiday.

Tribunal Judge Anthony Snelson agreed that clarification was wrong and unfair, and my view is that the notion that Uber is mosaic of 40,000 small businesses linked by a common platform is for the birds. As is the claim that Uber assists their drivers to grow their businesses – no driver is in any position to do anything of the kind, unless growing his business simply means spending more hours at the wheel. The drivers work for Uber - not the other way round.

For the likes of Uber, Hermes, Sports Direct & Deliveroo self-employment is hugely profitable - it means they can grow their business and keep adding workers for next to nothing, whilst squeezing out the competition and making no contribution in taxes to the countries whose workers they exploit. The market value of Uber is now higher than that of General Motors. With no minimum wage protection their workers earn less than someone doing an equivalent job did in 1992 – which is the year that I left school! One client we represent earned £14 (after Uber's 20% commission) for taking 4 passengers from Hamble to Southampton airport at 6am on a Sunday morning....

Things to consider:

- 1). Look at the relationship you have with your customers. If you are doing most of your work on an ongoing basis under their direct control and earning less than £7.20 **gross profit** per hour, then you may want to ask them to review this situation.

2). Review the situation with the workers that you engage. If you are consistently paying the same people to do work for you on a self-employed basis then you may want to talk to us about setting them up on a proper payroll scheme.

3). Take on staff. The quickest way that we see client's growing their business is in the time immediately after they take on their first employee. There are so many Government incentives offered at the moment for businesses willing to do so – the £3k annual Employer's Allowance is particularly good as it effectively means that you could take on up to 4 employees and it will cost you nothing in additional payroll taxes, and reduce your business taxes by £11k per year, making the net cost of hiring someone at £18k per year around £12k.

4). There are other incentives for taking on apprentices that cover all their training costs – and personally speaking I find that being able to give young people their first job to be incredibly rewarding. Congratulations to my colleague Lucia Eve who becomes the third employee to complete her chartered accountancy exams whilst working for me and is now licensed to kill – or sign off accounts at the very least.

As always we are here to help and I am always pleased to hear from clients who are interested in discussing their ideas further.

Regards,



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