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**Taylor Vinters\***

**TAYLOR REVIEW OF EMPLOYMENT PRACTICES IN THE MODERN ECONOMY**

**WRITTEN SUBMISSIONS BY TAYLOR VINTERS LLP**



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## ABOUT TAYLOR VINTERS LLP

Taylor Vinters LLP is an international law firm with its corporate headquarters in Cambridge, complemented by a flourishing office in the City of London and operations in Singapore supporting a growing international practice. Its employment law practice operates globally, with clients ranging from major US conglomerates to multi-national organisations with workforces spanning multiple jurisdictions.

The firm is best known for its work with leading technology businesses. Taylor Vinters LLP built its reputation by supporting the start-up and spin-out companies that have grown, in the past 50 years, out of Cambridge University and the Cambridge Technology Cluster. From ARM Holdings PLC to Cambridge Silicon Radio (now part of Qualcomm Inc), we are renowned for advising the innovators and entrepreneurs who are creating world-class technology.

As a legal business, we have followed the examples of our clients. We have been consistently recognised as legal innovators by the Financial Times' annual survey of innovation in law firms. We are currently incubating two legal technology start-ups: ThoughtRiver and Pekama.

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## EXECUTIVE SUMMARY

- 1 This Review of Employment Practices in the Modern Economy is an opportunity for fresh thinking – not just tinkering around the edges of the existing legislative framework. The focus should be on a future world of work that will build businesses, create jobs and generate wealth.
- 2 Workers' rights and innovative business models are not mutually exclusive.
- 3 Exploitation and abuse can be stamped out by appropriate regulation and enforcement.
- 4 Creating a workforce educated in the STEM subjects will be critical where human work will need to add value to that performed by artificial intelligence. The "employability" skills of the human workforce are a key concern for businesses.
- 5 There needs to be a recalibration of the categories of "worker", "employee" and "self-employed" to fit a service-driven, labour-on-demand economy. The proposals in this submission suggest a potential solution.
- 6 We need to develop a system that will not cater only for new business models that are emerging today, but for those that may be introduced in the future. There is limited value in having a specific legal definition of "gig economy worker", if that concept becomes outdated as businesses develop ever more innovative models of engagement.
- 7 There are opportunities to create new forms of representative bodies that are relevant to the new forms of workforce that are emerging.
- 8 The demand from businesses for greater flexibility creates opportunities for better inter-generational fairness and for wider engagement in the workplace of minority groups.
- 9 Government can support a diverse ecology of business models with a lighter-touch legislative framework in which entrepreneurial businesses – and those working within them – can flourish and thrive.
- 10 Finally, although outside the immediate scope of this Review, there needs to be a levelling of the playing field in the way in which work is taxed.

## INTRODUCTION

In the uncertain political and economic landscape for the UK, the vital need to support businesses, entrepreneurs and all those having a stake in the future of UK Plcs could not be more pressing.

Within the UK, our ability to innovate and adapt is one of our greatest strengths. What is essential to the future world of work is also having the ability to build businesses, create jobs and generate wealth in ways that are both fit for purpose and flexible to meet the opportunities both on and over the immediate horizon. Access to a well-educated, highly-skilled, motivated and engaged, productive workforce is essential – it is not just a wish-list. The competition for talent is already global.

In our submission in December 2016 to the Inquiry into “The Future World of Work and Rights of Workers” conducted by the Business, Energy and Industrial Strategy (BEIS) Commons Select Committee, we considered the ways in which lines had become blurred in the distinctions between “worker”, “employee” and “independent contractor.” We made recommendations as to how these definitions should be recalibrated to re-establish clear dividing lines between them.

Our subsequent, further thinking around these issues has been informed by discussions with our clients and the business drivers that determine the way in which they engage their respective workforces. The world of work is on the cusp of transformative change as a consequence of technology and innovation, as well as seismic shifts in the political and economic landscape.

We now conclude that this is not a time for just closing loopholes in existing employment law in the UK or for tinkering around with legal definitions. There is an opportunity for some completely fresh thinking about the future world of work. This includes consideration of what society requires from work and the value that is placed on it. It also includes, as Matthew Taylor has recently highlighted, a review of the quality of available work.

We understand this to be where the Review of Modern Employment Practices will focus its attention.

## SECURITY, PAY AND RIGHTS

**To what extent do emerging business practices put pressure on the trade-off between flexible labour and benefits such as higher pay or greater work availability, so that workers lose out on all dimensions? To what extent does the growth in non-standard forms of employment undermine the reach of policies like the National Living Wage, maternity and paternity rights, pensions auto-enrolment, sick pay and holiday pay?**

There is a clear dividing line between those who provide flexible labour as a lifestyle choice and those for whom there is no alternative. Emerging business practices such as the growth of the gig economy and the increased use of zero hours contracts work well for many, but not for all. We explore this further in the section on *The Balance of Rights and Responsibilities* below.

Gig economy businesses have been able to disrupt existing markets by offering, in most cases, a lower price-point than competitors combined with maximum convenience and flexibility for their users. It is an economic model that necessarily relies on low overheads to deliver high profits. Those who work for them generally provide most of the equipment and are paid per job, regardless of the time taken to complete the task. It is also contingent on a large pool of workers to provide a steady stream of resource.

This is, in one sense, a continuous issue of supply and demand. Given the high number of participants in the gig economy (many of whom use it to supplement income from other jobs), the starting point is that individuals receive low pay. As demand increases and supply dwindles, pay will increase – note, for example, the “surge prices” charged by Uber drivers during peak periods.

This model has been called into question following recent Employment Tribunal judgments that have classified (amongst others) Uber taxi drivers and CitySprint bicycle couriers as workers. Further similar cases are already in the pipeline. But what is clear from all of these is that there is no reason why on-demand platforms cannot operate effectively, if they are structured in the right way. Workers’ rights and innovative business models need not be mutually exclusive.

We explore further in our submissions below our suggestions for achieving the necessary balance in the future world of work, based on our expertise as a leading law firm for innovation and entrepreneurship and the day-to-day experiences of many of our clients, which span a broad range of sizes and sectors.

It is, however, clear to us that once the right structures are put in place, they must be supported by more effective enforcement mechanisms.

The recent reforms to National Minimum Wage enforcement (including an increase in the maximum penalty for non-compliance and the introduction of more robust labour market enforcement measures) have placed more pressure on employers to comply. However, the effectiveness of such measures

will ultimately depend on the appetite for prosecuting unscrupulous organisations who continue to flout the law.

We consider that the authorities should take a proactive and targeted approach to enforcement in sectors where there is an increased risk of non-compliance or a history of failing to pay the National Minimum Wage. It is hoped that the extension of powers for the Gangmasters and Labour Abuse Authority to cover all workers (regardless of whether they report to an agency, gangmaster or a direct employer) will improve working conditions and reduce instances of exploitation.

Finally, we consider that the increased use of employment agencies in an attempt to abrogate responsibility for workers has led to instances of dehumanising staff management. This is unacceptable and must be addressed. We consider that there is still room for staffing agencies in the future world of work, particularly in their traditional role of providing additional temporary staff from a central talent pool to manage peaks and troughs in demand for labour. However, the widespread, long-term use of agency workers in an attempt to avoid minimum employment/worker obligations must be curbed.

## PROGRESSION AND TRAINING

### **How can we facilitate and encourage professional development within the modern economy to the benefit of both employers and employees?**

From discussions with our clients, we know that “employability” is a key issue for businesses and other organisations recruiting straight from the education system – whether at secondary or tertiary level.

Across a diverse range of sectors, our clients have genuine concerns about the quality of teaching in the UK of the STEM subjects. There is a recognised need to address this to ensure there is a gene pool from which future suitably-qualified workforces will be hired. Comparisons have been made with competing nations where the UK performs poorly in benchmarking and academic league tables in these subjects.

Some clients also report a need to improve literacy and numeracy skills in the workplace as well as providing specific vocational training and professional development. This should sit alongside the development of soft-skills such as team-working and communication, personal organisation, and support to build resilience to thrive in a high-performance culture.

The employability issue discloses a disconnect between the “product” of our education system with what the customer (hiring organisation) requires. We have said elsewhere in this submission that customer demand and technology is driving innovation and change. This can be seen directly in the education system in the many new ways that education itself is delivered via technology to the consumers (students) of the education system in schools and universities. However, the education delivered by new technology does not necessarily cover the subjects that businesses will need. The ultimate end-user of the education system is the entrepreneurial business organisation that must be satisfied that its workforce has the education, skills and aptitude to perform the work for which it is being hired.

Arguably, it is less a question of “encouraging” professional development by business within the modern economy and more an issue of ensuring that there is a cohesive strategy within the education system in the UK to produce future generations who meet the requirements of the evolving world of work.

#### Development of artificial intelligence

In that context it is important to consider how progress in the development of artificial intelligence is likely to remove swathes of jobs currently performed by humans. From the industrial revolution onwards, technology has forced individuals to adapt to changes which have reshaped the type of work available. As artificial intelligence advances, it will transform the workplace as machine-learning technology out-performs the capability of the human.

Our clients tell us that this risks undermining the value of a university degree where that degree is applicable to skills that are better-performed by a robot. They are emphasising to us the importance to them, as businesses, of being able to recruit STEM-qualified workforces. They require people who are capable of adding value to the functions performed by artificial intelligence.

Whereas technology has historically replaced manual labour, artificial intelligence now has the capacity to perform high-skilled tasks where it will impact on, for example, the professions. In that case, it will potentially remove the opportunity for humans to learn on the job and develop their expertise as they progress up the career ladder. It also reinforces the need for the human input to focus on the added-value element of work that cannot be performed by a machine. The requisite human skills will need to be at a sufficiently advanced level to do this – and likely to be dependent on a STEM-educated workforce being available.

Innovation is required to devise the degree courses that will be appropriate for the future. This requires an understanding of how to optimise the interaction between robot systems and human workers.

#### Value placed by society on work and the quality of work

Our final observation in this section of our submission is to note that these issues give rise to questions about what society wants from the world of work and the value that society places on work.

If human jobs are to be replaced by robots, what will happen to those people if they do not have the education and skills to move up the food-chain of available work?

This has implications for the cost of the welfare state but it also has much wider consequences for society. Issues such as in-work poverty, the impact of having no work or only poor quality work on health and well-being and the productivity gap between the UK's workforce and those of our competitors are significant challenges to be addressed in a post-Brexit world.

These important matters appear to fall outside the specific terms of reference for this Review. However, we shall look forward to active participation in any future debate once the report from the Review is published.



## THE BALANCE OF RIGHTS AND RESPONSIBILITIES

**Do current definitions of employment status need to be updated to reflect new forms of working created by emerging business models, such as on-demand platforms?**

In our view, the concepts of “employee”, “worker” and “independent contractor” are, in principle, an effective way of making a high level distinction between various types of work provision. They have the potential to provide the necessary flexibility to accommodate emerging business models, without resulting in an unwieldy system in which new types of status are introduced in a piecemeal fashion (with each having a different set of rights).

Our clients tell us that there is no “one-size-fits-all” approach. The law needs to provide a flexible framework for business to innovate, whilst making that framework as clear as possible to ensure that individuals are engaged in the most appropriate way.

There is a need for certainty about the legal basis on which businesses engage their workforces and the nature of the relationships that are being created. The engagement framework needs to take account of business concerns for how legal risks and liabilities are managed in relation to a workforce.

In our view, the current approach to employment and worker status is no longer equipped to meet the needs of the future world of work. In particular, the definition of “worker” is too wide, providing protections to a large swathe of individuals who actively choose a portfolio career and do not need (or seek) minimum rights. This, in turn, unduly increases the burden on entrepreneurial businesses.

We believe that the worker protections should be focused on those who really need it – namely, low-paid workers who participate in the gig economy or work under zero hours contracts out of necessity, rather than choice. In a world where both in-demand executive business consultants and vulnerable, low-paid warehouse workers have the same rights and protections, the law should focus on preventing exploitation of the latter.

One question which needs to be explored is whether the use of the classification “worker” continues to have relevance. On one view, there is a case to be made for simply having a binary distinction between the employed and the self-employed. This view is supported by our understanding of labour law in other jurisdictions where our clients have workforces. It is not the norm to have a third “worker” category.

However, on balance, we consider that there is merit in retaining the “worker” definition to provide the necessary flexibility for business, provided that there is sufficient clarity in terminology. There is no reason why an individual working for an on-demand platform cannot legitimately fall within one of the three existing categories, without the need to create a new type of engagement to cater for them specifically. However, the boundaries between those categories have become blurred over the years and require some recalibration, to ensure that individuals and businesses understand clearly the legal landscape in which labour is engaged.

As a starting point, we propose more comprehensive statutory definitions of "employee" and "worker". Currently, an "employee" is defined as someone who works under a contract of employment, which is axiomatic and unhelpful. The legislation should be more precise in spelling out basic requirements for mutuality of obligation, control and workforce integration.

Secondly, the definition of "worker" should be overhauled to re-establish clear dividing lines between the concepts of employee, worker and independent contractor. It should be limited to those who satisfy the minimum criteria of:

- (a) personal service – the individual must be under an obligation to perform the work themselves, with no genuine right to send a substitute;
- (b) no arm's-length business arrangement – the individual must not be providing services to a customer or client of their own independent business undertaking; and
- (c) subordination – there must be an imbalance in the dynamic of the relationship so that the individual does not have, in reality, either the power to negotiate the terms of the relationship on an equal footing, or the right to reject work that is offered (without being penalised).

Finally, an individual who does not fall within the definition of employee or worker will necessarily be an independent contractor. This bracket would, under our proposals, include a broader spectrum of people who work as consultants, whose personal circumstances afford them the option of having portfolio careers where they can accept or reject work as they please, or those who are otherwise in business on their own account.

It is evident that there will always be some cases that are not clear-cut and will require courts and tribunals to intervene. Contracting parties will always seek to bend the rules or establish legal relationships that do not reflect the day-to-day reality of their working arrangements. The judiciary has, so far, proved adept at categorising individuals correctly when asked to do so, but this does not assist those working on the ground in the entrepreneurial space.

Lay individuals and businesses need to understand the rules of the game, so that they can plan, respectively, their careers and growth strategies. In our view, a clearer and narrower definition of "worker" will assist them in doing this. It will focus worker protection on those who really need it but otherwise allow businesses and individuals to agree terms that reflect a mutually beneficial, flexible, no-ties arrangement that typifies the on-demand economy, without the burden of legal obligations that neither expects.

## REPRESENTATION

**Could we learn lessons from alternative forms of representation around the world – for example, the Freelancers Union in New York, which focuses on access to health insurance, or the Californian App-Based Drivers Association (CADA) which lobbies companies like Uber on behalf of drivers?**

We consider there is room for unions and other representative bodies to play a role in representing the interests of individuals engaged in the gig economy and other innovative business models.

There are already well-established unions that represent those that work in non-traditional employment roles (including the self-employed) in certain sectors of the economy - for example, in the creative and entertainment sectors. These include the Musicians' Union, the Broadcasting, Entertainment Cinematograph and Theatre Union (BECTU), and Equity (which represents performers and other artists). For those engaged outside of traditional freelance sectors, certain "generalist" trade unions do permit self-employed individuals to become members. However, services for freelancers tend to be "bolted-on" and it is unclear if such unions have the expertise to adequately represent the views of freelancers or indeed have any bargaining powers.

In many sectors, union power has diminished as the traditional pool of workers who seek union membership has declined. The core workforces who are represented by unions are thinning out. Further, it is arguable that technology and social media now make it easier for workers to communicate with each other and present a stronger collective front on employee relations issues, without the need to engage with a union (and pay membership subscription fees).

Calls for trade unions specifically to represent the self-employed are not new and we are now starting to see responses to these calls reach fruition (see the formation of the Independent Workers Union of Great Britain). The outcome of its application to obtain recognition on behalf of Deliveroo workers is being watched with interest.

With the rise of the gig economy, it is inconceivable that trade unions have not started to see how they might develop a meaningful offering to those operating in the gig economy. Whilst relatively well-remunerated freelancers who pursue a portfolio career through choice may have less need for representation (and may, in any event, use professional membership bodies to provide a voice), a social response is needed to help prevent vulnerable gig economy participants from being exploited.

However, we consider that existing unions will need to reinvent themselves and offer a wider range of services if they are to remain relevant in the future world of work and sit alongside new forms of representative body.

Representatives will risk losing their relevance and being left behind if they doggedly seek to save every job, rather than embracing the future world of work and the opportunity it provides to create different types of role. The increased use of gig economy platforms and other forms of new technology (such as artificial intelligence) is likely to result in some forms of work being eliminated in future – either because customer demand and increased competition requires it to be done more flexibly and cost-effectively or because machines can perform the work more efficiently and reliably than humans.

However, this will, in itself, bring opportunities for new types of work and a new role for collective representatives. There will still be a need for them to hold employers to account in pushing for fair working conditions, particularly for vulnerable workers who are at risk of exploitation. However, there is also scope for them to focus on assisting workers in making the most of the opportunities created through innovation, by pushing for better on-the-job education and retraining.

Single issue lobbying may be the most effective way to ensure that workers see tangible benefits from representative bodies. For example, with an increased number of workers carrying out some or all of the role remotely or based from home, there is scope for representatives to encourage better integration and communication between individuals (both in person and through electronic means) and to push for more reliable facilities (such as faster broadband).

## UNDER-REPRESENTED GROUPS

**How can we harness modern employment to create opportunities for groups currently under-represented in the labour market (the elderly, those with disabilities or care responsibilities)?**

Technology has a significant role to play in creating opportunities for those who are currently under-represented in the market, with assistive robotics allowing greater participation for the elderly and those with disabilities. It also represents a challenge, with the likelihood that fewer tasks in the current workplace will require human input. Artificial intelligence and automated decision-making will encroach upon tasks currently performed by the highly-skilled white collar workforce, in the same way that robotic manufacturing assembly lines have changed the role of the blue collar workforce. The size of the working population may increase as the number of available jobs decreases.

Ultimately, it is likely that humans will learn to adapt and find new types of work (as they have done in the past). However, this will require a greater focus on training and in-work education, as technology drives the continuing evolution of the labour market. Individuals who are highly-skilled in one particular area may find that their work is replaced by a machine and will therefore need to retrain to do something else. Careers will be prolonged to account for increased longevity and the prospect of funding longer retirements, meaning that the concept of "lifelong learning" in the workplace will take on increased importance for workers at all stages of their careers.

### Interaction between younger and older workers

There are also potential inter-generational interests that need to be balanced. Younger workers will find it harder to get entry level jobs, particularly if more routine tasks are performed by machines or other forms of technology. Increased life expectancy, lower pension returns and the opportunities created by a flexible, on-demand economy will mean that older workers may wish to prolong their careers. This could lead to a blocking of career progression for those coming up through the ranks.

In our view, modern employment practices will have a key role to play in ensuring that workers at all stages of their careers can derive mutual benefits from working together and from working with technology. Greater use of job-sharing arrangements that pair together younger and older workers to work side-by-side has potential benefits for both. The conventional model of a full-time, 9-to-5 job may have less appeal to the informed and educated millennial who wants a greater variety of work, without necessarily being tied to the hierarchical structures of one employer. They can create their own portfolio career, whilst benefiting from the experience passed on by individuals at later stages of their working lives who have much to offer. This would also allow older workers the opportunity for phased or partial retirement, as an alternative to the immediate financial and social shock that may result from an immediate withdrawal from full-time work.

## Disabled workers

The participation of disabled workers in the modern workplace is an important topic. Employers are subject (quite rightly) to a stringent duty to make reasonable adjustments to level the playing field between disabled and non-disabled workers and to avoid asking health-related questions during the recruitment process, save in certain limited circumstances. In our experience, these principles are generally well-understood and most employers strive to comply with them. It is also clear that there is now much greater awareness of mental health issues in the workplace. However, these factors do not necessarily, in themselves, provide sufficient opportunities to disabled individuals who want to work but struggle to get on the job ladder.

One proposal put forward by Rosa Monckton is for a “therapeutic exemption” to the minimum wage legislation for people with learning disabilities. In our view, this is a potentially workable concept, although it would require both appropriate support networks for employers and proper safeguarding mechanisms to ensure that vulnerable workers are not exploited.

## Carers

For those who are potentially at risk of exclusion from the labour market through care responsibilities, the increased opportunities of working flexibly or working from home as part of an online, on-demand economy have obvious advantages. Technology can help them not only do the work remotely but also to interact with colleagues, to ensure that they are properly supported (and, crucially, not isolated).

More can also be done to encourage people who have taken extended career breaks – for example, to bring up a family or care for dependants – to re-engage with the world of work. Flexible working policies are an invaluable tool for enabling people to return to work on terms that suit their personal circumstances and business needs, but what of the re-integration process itself? In several sectors, individuals who have been out of work for more than a few years are likely to be returning to an environment that is very different – with new systems, concepts and workplace cultures to understand.

One option would be to increase the availability of “returnships” to help older, experienced workers reacquaint themselves with the labour market, either by bringing them back into their previous line of work or by introducing them to a completely new sector or profession. Some larger organisations already offer this type of programme, in the form of a paid internship. Greater encouragement should be given to businesses of all sizes to tap into the wealth of experience offered by this demographic. By giving them similar profile and Government support as apprenticeships, businesses will have more options in recruiting the best talent to fulfil their short and long-term commercial needs.

## NEW BUSINESS MODELS

**How can government – nationally or locally – support a diverse ecology of business models enhancing the choices available to investors, consumers and workers?**

### Government support to enhance choice

We consider that there are three ways in which Government can best support this:

- First, by recognising that employment law has failed to keep pace with changes in the workplace. Twenty-one years on, the Employment Rights Act 1996 is arguably past its sell-by date. It is flanked by the relics of other outdated industrial relations legislation. These all have their origins in the historical concepts of master and servant, and emphasis on control. This has less relevance to a modern, service-based economy. The imperative for the organisation lies in having the resources to meet customer needs, where technological innovation is driving rapid change in service delivery.

New business models will emerge at increasing speed. It is not realistic to expect that legislation will keep pace. The on-demand requirement for labour, with the flexibility that it entails, has highlighted the need for clarity. Government should not attempt to go beyond providing this clarity and a framework within which innovation and entrepreneurship can flourish. As we have said above in this submission, there is no reason why labour-on-demand platforms cannot operate effectively, if they are structured in the right way. Workers' rights and innovative business models need not be mutually exclusive.

We need to develop a system that will not cater only for new business models that are emerging today, but for those that may be introduced in the future. For example, there is limited value in having a specific legal definition of "gig economy worker", if that concept becomes outdated as businesses develop ever more innovative models of engagement.

Our view is that Government should have confidence to step back from the heavy-handed regulatory regime of the past two decades. The proposals made in this submission provide an option for a lighter-touch legislative framework within which businesses – and those working within them – can flourish and thrive.

- Second, the use of the self-employment model should be supported by Government where it is genuinely appropriate because it encourages entrepreneurship.

For those capable of properly choosing self-employment, an individual who wants the freedom, autonomy and choice over when, how and for whom to provide their labour, self-employment is a suitable model.

Self-employment is a true incentive to support and encourage innovation and entrepreneurship. This is the aspect of self-employment that the Government should actively nurture for that reason. The ideal model is where the self-employed build up their business to the point where they are creating work for others.

Historically, though, many sectors have used self-employment as the standard model: mini-cab drivers, tradesmen, the professions, the creative industries (from which the term "gig" economy derives). It is a moot point as to whether or not all of these are genuine arm's length self-employment arrangements.

The genie has been let out of the bottle by the so-called "disruptive technology platforms" developed by Uber, Deliveroo and others in the gig economy. They have done nothing more than take the model to extreme lengths to create a bogus form of self-employment.

However, self-employment is a tried and tested model when it is used correctly. It works to all parties' advantage where the relationship is genuinely one of self-employment and provided an appropriate method of engagement is created. Tech-savvy individuals who are motivated by the emerging concepts of "crowd-working" and providing their labour on demand should be able to work with this degree of maximum flexibility. They not only choose when and where to work, but may be working with multiple organisations on multiple arrangements.

- Third, Government should correct the non-alignment in the tax treatment of the employed and the self-employed. This has created obvious unfairness and an uneven playing field.

The recent aborted attempt by the Chancellor to address this through changes in National Insurance contributions has shone a spotlight on this particular issue. However, the non-alignment goes much further than this in terms of what Government could do to ensure that self-employment status is genuinely appropriate to the work the individual is performing and to ensure that the income from the work performed is being taxed appropriately.

It is also notable that there has been a rise in the numbers of self-employed who incorporate themselves into limited companies to obtain the additional protections of limited liability. Again, this creates an uneven playing field in relation to tax treatment of the work undertaken as an individual and that performed via a personal service company.

We have followed with interest the commentaries about reform of the tax system to resolve the inconsistencies between the tax treatment of the employed and the self-employed. Any solution is beyond the scope of this submission. However, we would urge the Review to endorse a comprehensive examination of proposals which would better align the taxation of work – in whatever form the work is undertaken.



Aligning the tax treatment would not be a disincentive to the entrepreneurial self-employed. It is unlikely they opt for self-employment solely because of the tax regime that currently applies – although there is an undeniable benefit. Societal issues come into play here to address the unfairness and unsustainability of the existing system.

## Role of local government

We do not see an immediate role for local government in regard to any of the above. However, the recent review of the business rates system has clearly added significantly to the costs of business and this is predominantly a local government issue in the way business rates are set. This has implications for the property requirements of business and how/where a workforce conducts the work. For example, the ability to reduce the need for workspace by effective use of technology.

Some of our clients are already reviewing their requirements for workspace in the face of rising property costs and changes in the pattern of work. This has additional consequences for the culture of an organisation and the collaboration that results from human interaction.

As a business organisation with our headquarters in Cambridge, at the heart of the technology sector in the UK, we have actively supported local government and local agency initiatives that encourage collaboration, knowledge-sharing, technology-transfer, creating hubs for start-ups, and building platforms for growth. The entrepreneurial culture this has created has encouraged us, within our legal business, to incubate an artificial intelligence early-stage company.

The Cambridge "cluster" model has been widely emulated elsewhere in the UK and overseas. We mention it here not simply because science, technology and innovation are the DNA of the Cambridge Phenomenon, but because of the close-knit network of support that was developed here on the ground which has nurtured that success.

With the newly-created, devolved mayoral regions in the UK controlling substantial budgets to support growth, it will be interesting to see the impact of this new form of local government over the next five years.

**TAYLOR VINTERS LLP**

**May 2017**

## ABOUT THE AUTHORS

### Christine Berry

Between working as a commercial lawyer and more recently in Taylor Vinters' employment team, Christine spent 10 years on the front line as Taylor Vinters' managing partner.

Given a brief to transform the firm from a respected, traditional solicitors' practice into a modern legal business, Christine did exactly that – with Taylor Vinters picking up awards and accolades along the way for its forward thinking and innovative approach. Christine was one of the UK's first women managing partners. She took up the reins at a time when law firm management was still a fledgling art rather than a management science. At the heart of her success was the ability to create a cohesive workplace culture that engaged and inspired all members of the firm.

"The imperative for change at Taylor Vinters came from the Blair government's determination to open up legal services to free competition." Christine explained. "This was the catalyst for us to re-invent Taylor Vinters. It provided the platform for the international business we are today".

Christine has served on the CBI's regional council in the East of England and sat on various business advisory boards. For a number of years Christine was a member of the judging panel for the Cambridge Business Excellence Awards celebrating innovation within Cambridge's world-class technology cluster.

### Dominic Holmes

Based primarily in our London office at Tower 42 in the City, Dom is highly-regarded for his wealth of expertise advising on complex and business-critical situations across a range of sectors. This includes technology, pharmaceuticals, media and retail. Dom also works with international clients across multiple jurisdictions. He deftly resolves difficult workplace issues wherever in the world they happen to arise and does so with flair and without fuss.

Dom joined Taylor Vinters in 2013 from a top 50 firm. "The opportunity to work at an ambitious firm like Taylor Vinters, with a clear focus on innovation, excited me then and continues to do so now", Dom says.

Technically astute, Dom's practice focuses on the more complex areas of employment law and HR strategy. He has particular experience in helping employers deal with sensitive workplace disputes, senior level exits and restructuring projects.

Dom writes and broadcasts regularly on a wide range of employment and HR issues. His skills as a presenter and his ability to communicate clearly without legal jargon mean that Dom is in high demand for articles and delivering training. A member of the Employment Lawyers' Association, Dom has contributed to a number of consultation papers on legislative and policy reform, including proposals relating to the modernisation of the Employment Tribunal system.