

CLEANING UP AFTER TAYLOR

Simon Freer, Managing Director of SAF Cleaning Ltd, looks at how to respond to the Taylor Review's self-employed resourcing reforms.



Around 15% of people working in the UK's labour market are now self-employed, according to figures published by the government in October 2017.

Fifteen years ago, I started out that way too at 23 as a self-employed window cleaner, having left school without an idea of what to do next. I then moved onto contracting in other cleaners to support me when the volume of work I was getting became too much. Now I have a growing contract cleaning business delivering a range of services in the Surrey and London area, and we've got some great regular clients.

The whole contract cleaning industry has pretty much survived on the use of self-employed staff for many years, with all the pros and cons of this approach to resourcing. But now, things will have to change. There are a number of factors behind this – companies working this way will have to adapt accordingly and rethink how they do things. I've already started to prepare and would urge other companies in my situation to do the same.

Firstly, when Brexit happens there will no doubt be an impact, because it will most likely reduce total migration levels. Fewer people will be coming to the UK to find work, shifting the ready availability of potential workers. Numbers have already started to dwindle, partly because of the negative perceptions created by Brexit and also because of the pound's decline in value. It's no longer so worthwhile to come and work in the UK if you, as many overseas workers do, want to send some of the money you've earned back home to support the rest of the family. Compared with the UK, the other Eurozone countries are offering a much better exchange rate, so people are going there instead.

Adding to this shift in worker supply

will be the final outcome of the Taylor Review, and the likely legal changes to follow. Announced by Lord Taylor in October 2017, the aim of this review is to understand how employment as a whole needs to be defined in the future, and how people feel about their self-employed status. We've all seen the Deliveroo riders, use Uber for taxis and rely on Amazon Prime for fast delivery of our household goods, but what are the long term implications of 'gig' working?

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As an industry, cleaning has been a 'gig worker' economy for decades now. Relying on subcontracting to self employed staff isn't new for us, but all these high profile business models have brought the issue of self employment, and what it means for the workers, out into the open. According to Lord Taylor, the hope is that his review will 'promote a national conversation and explore how we can all contribute to work that provides opportunity, fairness and dignity'. That's got to be a good thing for everyone.

What this means for the cleaning industry is that all companies, whatever size they are, will have to rethink their policies and the way they run their businesses. The government is looking to change the way employment is defined and broadening it to account for all the people who are in between – they're technically self-

employed but are dependent on one source for their income. These people will likely be reclassified as 'dependent contractors' as opposed to being fully self-employed and will start to have more rights, like an entitlement to the minimum wage, sickness and holiday pay, pensions and other benefits.

A lot of companies will be advised to extend their rates to meet the national living wage at least. It's going to have many financial implications for all the cleaning companies relying on self-employed contractors that don't attract employer's NICs or other costs.

I've got a small but fast growing cleaning business. For me, the Taylor Review is a good thing and means I've started to look at how I'm running my own company. I'm now making changes to the way I use contractors and many of my regular cleaning operatives will become employees.





It's going to be more costly initially, because I want to pay my people the living wage and I also want to offer them some prospects if they continue working for me, with professional training and development.

Overall, I think it will be worth the investment. Everyone needs to earn a decent living wage or they cannot afford to live in the area. It's about balance – finding decent staff and being able to pay them a decent rate requires finding customers willing to pay an appropriate rate which allows me to run a sustainable business that brings in a reasonable a profit. That way everyone in the team benefits.

Having started at the bottom myself, I know what it's like to be self-employed with no rights and potentially having to suffer the consequences of being powerless in this situation. Long term, although my costs might initially be

higher, it's ultimately going to mean I can offer a much better service and attract better clients, which means more financial security to counter those short term cost increases.

Bringing people onto the payroll or redefining them as dependent contractors as suggested in the Taylor Review will create a stronger team spirit, people will have to adhere to my company values and philosophy. I can start to build a stronger brand. When you are dealing with subcontractors, it is difficult to control them and you don't always get the commitment you would like. I can also start to branch out into offering more specialist cleaning services, like soft washing with biocides and environmentally friendly services, because I can bank on more commitment from my staff, specify exactly how they work, the products they use and provide them with

specialist training. This is something that's harder to do when you rely on outsourced contracts to do the work.

I can only speak for myself, but as a contract cleaning company owner talking to others in my position, if you can start employing people directly and give them the wages and rights they are entitled to, then you should. The whole industry needs to act responsibly and provide proper development opportunities for their staff. Some people might not want to be employed directly and you can't force them to change, but having a core team, built up of loyal employees is important for any firm with ambitions to succeed in the service industry. So, I welcome the Taylor Review and think of it as a very helpful trigger to re-evaluate how I'm running my business.

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