

MDA No.: 1351

Title: The Gig Economy Letters

1. Executive Summary

- 1.1 At the Economy Committee meeting on 10 November 2021, the Committee held a meeting on economically insecure Londoners, focussing on financial exclusion and the gig economy, and resolved that:

Authority be delegated to the Chairman, in consultation with the party Group Lead Members, to agree any output arising from the discussion.

- 1.2 Following consultation with party Group Lead Members, the Chairman is asked to agree the Committee's letters to the Mayor and the Secretary of State for Business, Energy and Industrial Strategy, as attached at **Appendices 1-2**.

2. Decision

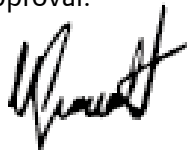
- 2.1 **That the Economy Committee's letters to the Mayor and the Secretary of State for Business, Energy and Industrial Strategy be agreed.**

Assembly Member

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Printed Name: Neil Garratt AM, Chairman of the Economy Committee

Date: 25/03/2022

3. Decision by an Assembly Member under Delegated Authority

Background and proposed next steps:

- 3.1 The exercise of delegated authority agreeing the Committee's letters to the Mayor and the Secretary of State for Business, Energy and Industrial Strategy will be formally noted at the Committee's next appropriate meeting.
- 3.2 The terms of reference for this investigation were agreed by the Chairman, in consultation with relevant party Lead Group Members, under the standing authority granted to Chairs of Committees and Sub-Committees. Officers confirm that the letters and recommendations fall within these terms of reference.

Confirmation that appropriate delegated authority exists for this decision:

Signature (Committee Services): L. Harvey

Printed Name: Lauren Harvey, Senior Committee Officer

Date: 11/03/2022

Telephone Number: 07729 625579

Financial Implications: NOT REQUIRED

Note: Finance comments and signature are required only where there are financial implications arising or the potential for financial implications.

Signature (Finance): Not Required


Printed Name: N/A

Date: N/A

Telephone Number: N/A

Legal Implications:

The Chairman of the Economy Committee has the power to make the decision set out in this report.

Signature (Legal): 

Printed Name: Emma Strain, Monitoring Officer

Date: 11/03/2022

Telephone Number: 07971 101375

Supporting Detail / List of Consultees:

- Hina Bokhari AM (Deputy Chair)
- Marina Ahmad AM
- Zack Polanski AM

4. Public Access to Information

- 4.1 Information in this form (Part 1) is subject to the FoIA, or the EIR and will be made available on the GLA Website, usually within one working day of approval.
- 4.2 If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.
- 4.3 **Note:** this form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral:

Is the publication of Part 1 of this approval to be deferred? NO

If yes, until what date:

Part 2 – Sensitive Information:

Only the facts or advice that would be exempt from disclosure under FoIA or EIR should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

Lead Officer / Author

Signature: D. Tattersall


Printed Name: Dan Tattersall

Job Title: Senior Policy Adviser

Date: 14/03/2022

Telephone Number: 07783 805825

Countersigned by Executive Director:

Signature: 

Printed Name: Helen Ewen, Executive Director of Assembly Secretariat

Date: 15/03/2022

Telephone Number: 07729 108986

LONDON ASSEMBLY



Neil Garratt AM
Chairman of the Economy Committee

Sadiq Khan
Mayor of London
(Sent by email)

CC: Rajesh Agrawal, Deputy Mayor for Business

25 March 2022

Dear Mr Mayor,

London's gig economy

I am writing to you in my position as Chair of the London Assembly Economy Committee regarding London's gig economy. As part of our investigation into 'economically insecure Londoners', we held a meeting on the gig economy on 10 November 2021, which the following guests attended:

- Rajesh Agrawal, Deputy Mayor for Business
- Max Dewhurst, Member, Independent Workers Union of Great Britain
- Andy Chamberlain, Director of Policy, The Association of Independent Professionals and the Self-Employed (IPSE)
- Sian Williams, Director of Policy and Innovation, Toynbee Hall

The aim of our investigation was to understand the benefits of and problems with London's gig economy and the implications of the employment status, pay and conditions of gig economy workers. Given your commitment to introduce a Good Work Charter for the gig economy, we also heard from key stakeholders about what they felt should be included in the Charter.

This letter outlines the Committee's findings and recommendations from the investigation.

Gig economy workers and the impact of the pandemic

The Committee heard that some workers welcome the flexibility provided by the gig economy, as it enables them to work when they want and receive pay quickly. But for other workers, the gig economy is a source of insecure work and irregular hours, with few employment rights, and low pay.

Most self-employed workers, including those in the gig economy, were badly impacted by the pandemic and many did not qualify for government support. Other workers were forced into gig economy work due to a lack of alternatives.

Definition of the gig economy

The Committee heard that there is no single, agreed definition of the gig economy. It generally refers to the use of online platforms for short-term work, but it can also refer to wider trends around flexible employment. Guests emphasised that it shouldn't be conflated with all forms of self-employment. However, many of the negative connotations of the gig economy around insecure work and low pay extend much further than the gig economy.

The gig economy can also refer to contract-based work carried out by higher-earners, for example in professional and financial services. These workers are less likely to experience the more precarious working practices associated with the gig economy, which disproportionately impact lower-paid workers. The Mayor's Charter for the gig economy should therefore focus on those lower-paid workers who would benefit from increased rights and protections.

The Taylor Review into Modern Working Practices and government legislation

The Government-commissioned Taylor Review into Modern Working Practices recommended in 2017 that gig economy workers should be classified as 'dependent contractors', which would sit between fully employed and self-employed status. This would entitle some gig economy workers to the National Minimum Wage and other workers' rights.¹ This recommendation has not been implemented by the Government to date.

The 2019 Queen's Speech included a commitment to introduce an employment bill, which would 'build on existing employment law with measures that protect those in low-paid work and the gig economy'.² However, a bill has not yet been introduced and was not included in the 2021 Queen's Speech.³

Guests at the Committee meeting expressed strong support for the Government introducing an employment bill which would enshrine protections for gig economy workers. The Committee is writing to the Government, calling on it to set out a clear timetable for introducing an employment bill, which includes those recommendations which it has accepted from the Taylor review and sets out a clear definition of the gig economy. We are also recommending that you lobby the

¹ [Good Work: The Taylor Review of Modern Working Practices](#), July 2017

² [The Queen's Speech 2019](#)

³ [Queen's Speech: Government accused of 'rowing back' on workers' rights](#), BBC, 11 May 2021

Government to set out a clear timetable to introduce an employment bill which enshrines the recommendations of the Taylor Review.

Recommendation: *The Mayor should lobby the Government to set out a clear timetable to introduce an employment bill. The bill should enshrine the recommendations of the Taylor Review of Modern Working Practices and clarify the employment status of workers in the gig economy.*

The Mayor's Good Work Standard

We are aware that you have published a list of the 103 employers that have so far signed up to the Good Work Standard. We are also recommending that you produce an action plan to encourage more businesses to sign up to the Good Work Standard, as well as demonstrating how its effectiveness is being measured. Furthermore, we would like you to demonstrate how the charter for the gig economy will build on and learn from the Good Work Standard, and how the two will be integrated.

Recommendation: *The Mayor should set out how his charter for the gig economy will build on and learn from his Good Work Standard, and how the two will be integrated.*

Recommendation: *The Mayor should produce an action plan to encourage more businesses to sign up to his Good Work Standard, as well as demonstrating how its effectiveness is being measured.*

The Mayor's Good Work Charter

The Deputy Mayor for Business told the Committee that you will introduce a Good Work Charter focused specifically on the gig economy. The Deputy Mayor told the Committee that a formal consultation process would be launched by spring 2022 and the Charter would be launched by the end of summer 2022. Given that this consultation process has not yet started, we are concerned that the original timetable could be delayed. We would therefore like you to update us on whether this is the case and the current timetable for consultation and implementation of the Good Work Charter.

The Committee asked guests at the meeting what they would like to see included in the Good Work Charter. Based on these discussions, we are making a number of recommendations about what should be included in the Charter and the process for designing in.

In designing the Good Work Charter, we are recommending that you consult with Londoners and ensure that its provisions reflect the experience of gig economy workers. We would like you to set a target for how many businesses you expect to sign up to the charter and a clear timeline for delivery.

Given that there is no single definition of the gig economy, it is important that the Charter includes a clear definition to ensure clarity about which workers and businesses fall under the scope of the Charter. We believe the Charter should be accompanied by a communications campaign, which includes advice for gig economy workers on their rights.

The Charter should encourage employers to adopt a range of provisions to strengthen the working conditions of gig economy workers. This should include encouraging employers to only use the self-employment model where workers are genuinely self-employed. It should encourage businesses to ensure that workers are paid the London Living Wage plus costs of equipment and running costs that are essential for the role. It should also encourage businesses to abide by the Acas (the Advisory, Conciliation and Arbitration Service) code and implement safe working practices that reflect the specific nature of the gig economy.

Recommendation: In designing the Good Work Charter, the Mayor must consult with Londoners and ensure that its provisions reflect the experience of gig economy workers.

Recommendation: The Mayor should set a target for how many businesses he expects to sign up to the charter and a clear timeline for delivery.

Recommendation: There is no single, agreed definition of the gig economy. It is important that the Mayor's Good Work Charter sets out a clear definition of the gig economy to ensure clarity about which workers and businesses fall under the scope of the charter.

Recommendation: The Good Work Charter should include advice for gig economy workers on their rights. This should be accompanied by a communications campaign.

Recommendation: The Good Work Charter should encourage businesses to only use the self-employment model where workers are genuinely self-employed.

Recommendation: The Good Work Charter should encourage businesses to ensure that workers are paid the London Living Wage plus costs of equipment and running costs that are essential for the role.

Recommendation: Under the Good Work Charter, companies should abide by the Advisory, Conciliation and Arbitration Service (Acas) code to ensure that HR processes are fair for workers in the gig economy.

Recommendation: The Good Work Charter should include provisions for safe working practices that reflect the specific nature of the gig economy, such as emergency phone lines for workers and ways to report unsafe working practices.

The Committee would welcome a response to this letter by 29 April 2022. Please send your response by email to the Committee's clerk, Lauren Harvey (lauren.harvey@london.gov.uk).

Yours sincerely,



Neil Garratt AM

Chairman of the Economy Committee



Neil Garratt AM
Chairman of the Economy Committee

The Rt Hon Kwasi Kwarteng MP
Secretary of State for Business, Energy and Industrial Strategy
(by email)

25 March 2022

Dear Mr Kwarteng,

Employment bill and the gig economy

I am writing to you on behalf of the London Assembly Economy Committee regarding the gig economy and the introduction of an employment bill. This follows our recent investigation into the gig economy, where we set out to understand the benefits of and problems with London's gig economy and the implications of the employment status, pay and conditions of gig economy workers.

One area discussed at the meeting was the Taylor Review into Modern Working Practices and a prospective employment bill. As you know, the Government-commissioned Taylor Review into Modern Working Practices recommended in 2017 that gig economy workers should be classified as 'dependent contractors', which would sit between fully employed and self-employed status. This would entitle some gig economy workers to the National Minimum Wage and other workers' rights. The Government consulted on this recommendation but has not implemented any related reforms to date.

The 2019 Queen's Speech included a commitment to introduce an employment bill, which would 'build on existing employment law with measures that protect those in low-paid work and the gig

economy'. However, a bill has not yet been introduced and was not included in the 2021 Queen's Speech.

Guests at the Committee meeting expressed strong support for the Government introducing an employment bill which would enshrine protections for gig economy workers. The Economy Committee supports this view and urges you to bring forward an employment bill which sets out a clear definition of the gig economy and includes those recommendations the Government has accepted from the Taylor review. We would also like the Government to set out a clear timetable for the introduction and passing of the bill.

The Committee would welcome a response to this letter by 29 April 2022. Please send your response by email to the Committee's clerk, Lauren Harvey (lauren.harvey@london.gov.uk).

Yours sincerely,



Neil Garratt AM

Chairman of the Economy Committee