

Dear Secretary of State for Work and Pensions,

## **Occupational Health: Working Better Consultation**

As the insurance provider to over 900,000 small businesses and self-employed people across the UK, we at Simply Business are writing to you to share important evidence on the worrying state of small business owners' mental health, and to outline what steps would help this economically vital part of our workforce, society and communities.

### **How is poor mental health affecting the UK's self-employed?**

Monitoring mental health and wellbeing when you're self-employed or a small business owner can be complex. Even though being your own boss offers purpose, flexibility and freedom, it can also bring instability and isolation. That's why, in partnership with Mental Health At Work and the charity, Mind, Simply Business has conducted extensive research this year to better understand the extent of the current wellbeing challenges amongst the self-employed. The results are alarming, if not altogether surprising.

### **2023: SMEs at breaking point**

Over half (56%) of small business owners have suffered from poor mental health in the last 12 months. During a cost of living crisis, the self-employed are working at full capacity. Long hours, rare breaks, and sleepless nights are leaving many on the brink of burnout. Rising costs associated with running a business mean that people are working harder than ever to make ends meet.

One in three small business owners are working over 46 hours a week – 10 hours more than the average UK employee. This extra work adds up, with many self-employed workers reporting they're struggling with sleep. A third of those surveyed are surviving on less than five hours a night on average.

To compound the issue, we discovered that three quarters of small business owners take fewer than 20 days of annual leave a year – significantly less than the national entitlement of 28 days for full-time employed workers.

### **Small business matters**

This situation should concern us all. Small businesses are responsible for 48% of all British jobs and contribute £1.6 trillion in turnover to the UK economy – they're vital to both our economic recovery and the prosperity of our communities. Such widespread low levels of wellbeing amongst SMEs will only compound the challenges of stimulating growth as we emerge from the pandemic.

From financial worries and stress, to isolation and insomnia – it's critical that the real people behind the country's SMEs are given the support they need. That's why we've partnered with Mental Health at Work to raise awareness of the challenges facing this audience, and create tailored resources designed to help.

## **What can be done to help?**

When asked, a staggering nine in 10 (90%) said that they believe the government is not currently doing enough to support the mental health of the self-employed, with small business owners unable to claim [the same rights as employees when it comes to statutory sick pay and holiday entitlement](#).

There's an ambition amongst the small business community to make inroads. A third (35%) want to learn how to improve their mental health while running their business, but don't feel they have access to the correct resources. To date, Simply Business has donated £100,000 to support the mental health of the UK's self-employed, and created a breadth of free wellbeing resources for SME owners, while also offering access to a virtual assistant, and financial and business coaching.

## **Calling for the introduction of Statutory Sick Pay for the self-employed**

When surveyed, almost two thirds (62%) of small business owners asked for Statutory Sick Pay (SSP) for self-employed people to be introduced – and we believe this is something the government should explore as a priority.

Given the potential cost of such a policy, we recognise the need for flexibility, and there's an opportunity to pilot the scheme in the first instance – be that regionally or to selected groups – to understand its full potential and practicalities.

The scheme would offer vital financial support for small business owners when they're sick, and reduce the current perceived need for small business owners to work through periods of sustained poor mental health.

## **Creating a new assistance programme dedicated to the self-employed**

Another reality for the UK's 4.1 million self-employed people is that – without the employer-employee relationship to help keep them healthy and in work – they have nowhere to turn, beyond the already overburdened NHS, when their wellbeing suffers a dip.

It's here we believe the creation of a central EAP-type service, targeted to the self-employed, could play an enormously important role. Offering free assessments, short-term counselling, and follow-up services to those in the small business community that are most in need of help would be invaluable. This service could be supplemented with more readily available – and more frequently sign-posted – self-help information and guidance.

## **Simply Business commitment to take an active role**

We understand that the mental health crisis amongst the UK's self-employed isn't easy to solve. However, from our research we feel the new support mechanisms of a flexible SSP and a central self-employed assistance programme should be given serious consideration – ensuring small business owners have a safety net when they are affected by poor mental health.

We strongly believe that there has never been a more important time to invest in these new initiatives and policies to support the mental health of self-employed workers and micro-business owners – people who do not have the support of an employer or rights of an employee to workplace health support.

Ultimately, there is an opportunity to help the self-employed remain healthier at work, and to enable a faster recovery when their mental health does suffer – potentially removing strain from our public services. Our economy depends on the successful operation of small business, and it's vital we support the people behind our SMEs.

Simply Business is of course willing to play our part in highlighting and building progressive solutions that prioritise the wellbeing of small business owners.

Yours sincerely,

**Beatriz Montoya**

Chief Operating Officer, Simply Business