



# The Food Network for Ethical Trade (FNET)

HRDD AND COURIER SERVICES – 2<sup>ND</sup> OCTOBER 2024



# Competition Law Statement

*“Today we are meeting to discuss the Food Network for Ethical Trade.*

*We take competition compliance seriously. Whilst discussions can cover matters of interest to our industry, we cannot discuss or exchange sensitive commercial information.*

*If at any time during this meeting, you think our discussions may be in breach of competition rules, please inform the Chair. The Chair may close the meeting at any time if she believes that discussions are in breach of competition law”*

**A recording of the meeting can be found at**



# Agenda

| Approximate timing | Agenda item   |
|--------------------|---|
| 13.00 – 13.05      | Introduction & Competition statement  |
| 13.05 – 13.20      | Overview of UK legislative changes and opportunities for gig economy workers – Joanne Young, Chief Executive, ALP   |
| 13.20 – 13.40      | Gophr: A Case Study – James Knight, COO at Gophr  |
| 13.40 – 13.50      | Insights from “Back to the Dark Ages: Q Commerce, rapid retail and the changing landscape of retail work” report from UniGlobal (highlights shared by Suzanne Natelson) |
| 13.50 – 14.00      | Member Update   |
| 14.00 – 14.30      | Survey overview, discussion, objective-setting & next steps   |







# THE PLAN TO MAKE WORK PAY POTENTIAL IMPACT ON COURIERS

- A core part of the Mission to grow Britain's economy and raise living standards across the country
- Introduce legislation in Parliament within 100 days of entering government
- Committed to following a proper parliamentary process for legislative proposals



# Single status of worker

- Transition towards a simpler two-part framework for employment status
- Consult in detail on how a simpler framework that differentiates between workers and the genuinely self-employed could:
  - Properly capture the breadth of employment relationships in the UK
  - Adapt to changing forms of employment
  - Guard against using novel contractual forms to avoid legal obligations
  - Ensure that workers can benefit from flexible working







## **Basic day one rights**

- Basic individual rights from day one for all workers – unfair dismissal, parental leave, sick pay
- Will not prevent fair dismissal
- Employers will be able to operate probationary periods to assess new hires



## Fair pay

- Genuine living wage
  - Include cost of living in calculation
  - Remove discriminatory age bands
  - Current estimate is that £12.10 is required to maintain 2/3 median hourly earnings (5.8%)
  - Likely to rise as pay is still rising
- Remove the waiting period and LEL for SSP



# Ending 'one-sided flexibility'

- Ensure all jobs provide a baseline level of security and predictability
- A ban on exploitative zero hours contracts
- The right to have a contract that reflects the number of hours regularly worked
- Reasonable notice of any change in shifts or working time, with compensation that is proportionate to the notice given



# Family friendly rights

- Flexible working default from day 1 except where it is not reasonably feasible
- Review parental leave within year 1
- Make it unlawful to dismiss a woman who is pregnant for 6 months after her return except in specific circumstances
- Examine the benefits of paid Carer's Leave
- Introduce the right to Bereavement Leave for all workers
- Right to switch off



# Technology and surveillance

- Ensure that rights and protections keep pace with technological change
- Work with workers and their trade unions, employers and experts to examine what AI and new technologies mean for work, jobs and skill
- Proposals to introduce surveillance technologies subject to consultation and negotiation





# Fair Work Agency

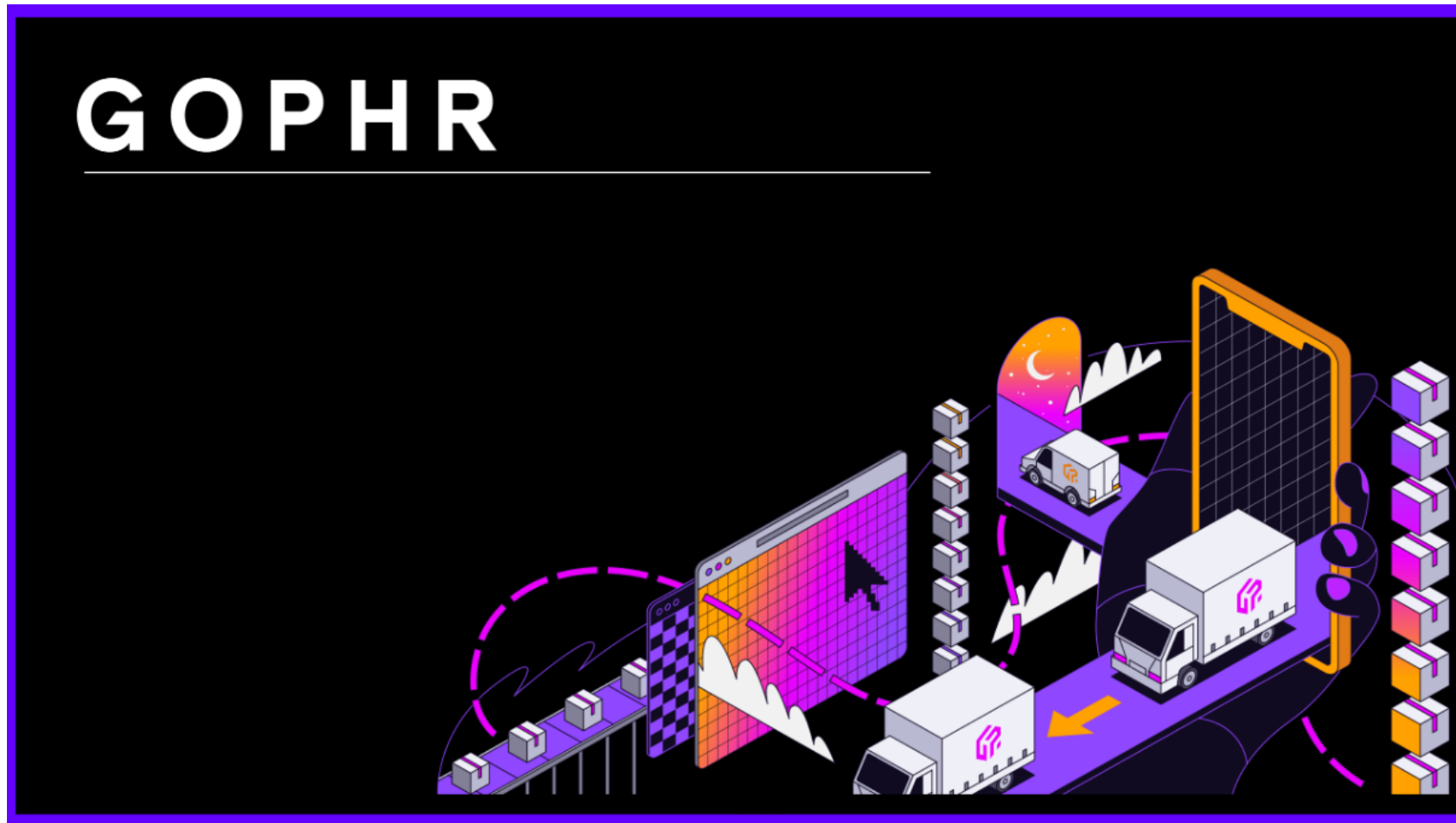
- Establish a Single Enforcement Body
  - GLAA, EAS, HMRC NMW
  - With TU and TUC representation
  - All the powers of the existing enforcers across all staff
  - Adding in state enforcement of holiday pay and SSP

**Questions?**



# GOPHR

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Slides available on separate [pdf](#)



# Actions from the first meeting

- FNET arranges a meeting with different food service, and other non-food companies to build leverage scheduled for September - **Lack of engagement from hospitality companies, insight from non-food last mile delivery company**
- More understanding on why Deliveroo case failed (over sub-contracting) and why Uber succeeded to have employment contracts (i.e. Is it just about the vehicle and driving licence not being licenced for other users) **Understood this is about the type of contract i.e. can't substitute car drivers therefore they are employees**
- Include update from new government on their plans for any reform of the sector – **Meeting 2<sup>nd</sup> October**
- Co-op update on policy and campaigns on courier services- **Meeting 2<sup>nd</sup> October**
- **Additional points**
  - 1) **Case study from courier company**
  - 2) **Reached out to trade unions (GMB, European and courier-specific unions) – no engagement so far**
  - 3) **Information from UNI Global on Q Commerce**



# Rapidly changing environment of last-mile delivery

[Launch webinar](#)  
[Report](#)

POLICY STUDY  
March 2023

## Key points

Last mile delivery is a major commercial challenge for retailers due to the low margins and relatively low spend from consumer.

Many delivery platforms also operate at a loss - one report estimates that regular supermarkets lose an average of 15% on home deliveries, while q-commerce firms lose 11%.

# BACK TO THE DARK AGES?

Q-COMMERCE, RAPID RETAIL AND THE CHANGING LANDSCAPE OF RETAIL WORK

*Rachel Verdin, Steve Rolf, Wil Hunt and Sacha Garben*



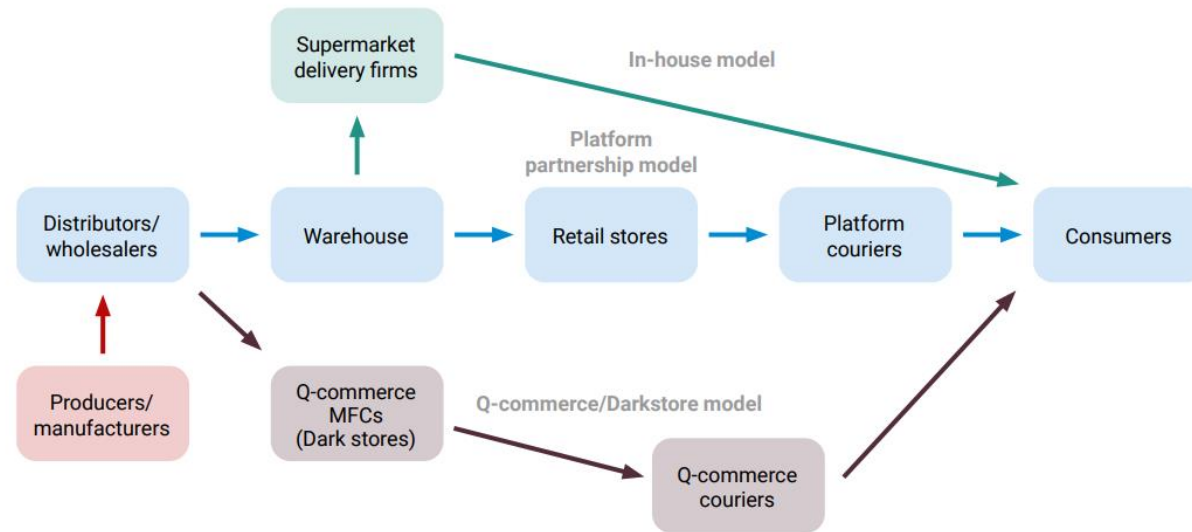
# 3 last-mile delivery routes

**In-house supermarket rapid delivery** e.g. Whoosh for Tesco, Chop Chop for Sainsbury's

**Supermarket/platform partnerships**  
Retail partnership with delivery platform e.g. ASDA & Just Eat

**Q-Commerce with Dark stores/Micro-processing facilities** - (since 2020) and have partnerships with some retailers. Fuelled by venture capital. E.g. GoPuff and Morrisons, Deliveroo Hop

FIGURE 4: VISUALISING THE GROCERY RETAIL RAPID-DELIVERY SUPPLY CHAIN



Key: In-house model (green arrows), platform partnership model (blue arrows), q-commerce model (purple arrows).



# Summary of perceived risks in different models

|   | Typical contract type  | Some flagged risks   | Other notes  |
|---|--|--|--|
| In-house supermarket delivery   | Employment   |  | Significant investment required - Potentially on the decline, using AI |
| Supermarket-platform partnerships                                     | Self-employed (drivers & pickers)  | Driver substitution  |  |
| Q-commerce (micro-processing facilities and supermarket partnerships) | Trend is employment with q commerce, however can be a mix of self-employed and employed depending on the role (warehouse, driver, store manager) | Statutory requirements not always respected e.g. unpredictable work patters/zero hours contracts/mass layoffs and spurious terminations. | Various models   |
|   |  |  |  |

# Additional points from the report

Algorithmic management of workers and inconsistency of approach

Poor health and safety

Drivers - insufficient bike maintenance, seasonal gear inadequate, poor PPE, number of orders has increased for efficiency (may drive with multiple orders which leads to intensification of stress), hazardous weather conditions

GMB – agreement with Deliveroo (contacted but no response) - what is in this?

Direct employment has not led to necessarily better working conditions.

Employment does help because the workers are known, but it doesn't end precariousness, but it does provide a base level of protection.

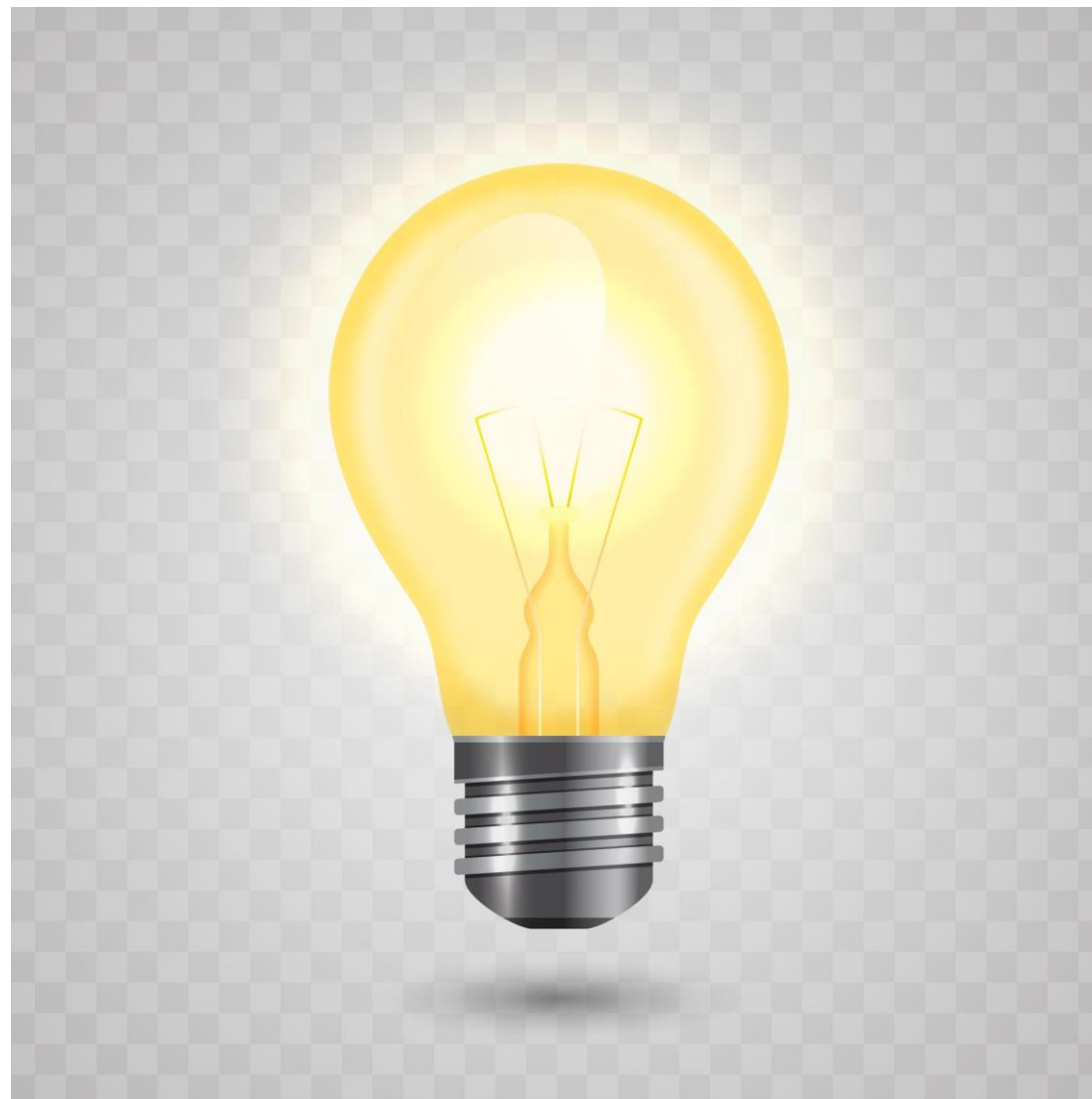
Enforcement is key – instances of wage theft



# Member sharing



Questions?



# Survey results

1. Does your company have a human rights due diligence approach to courier/last-mile delivery services?

[More Details](#)

|         |   |
|---------|---|
| ● Yes   | 0 |
| ● No    | 1 |
| ● Other | 2 |



## Additional comments

Partial but current limited resources  
Starting to try to engage with this area of our business



# Survey results

2. Please could you describe this approach? What does it include? Do you use Sedex/Ecovadis? Do you have a code of conduct with specific providers?

2 Responses

| ID ↑ | Name      | Responses   |
|------|-----------|---|
| 1    | anonymous | All suppliers need to adhere to our Responsible Sourcing Code of Conduct and Human Rights Policy. |
| 2    | anonymous | No approach at the moment, other than simple contract terms requiring compliance with UK law      |

We have code of conduct and currently working on the audit to be introduced



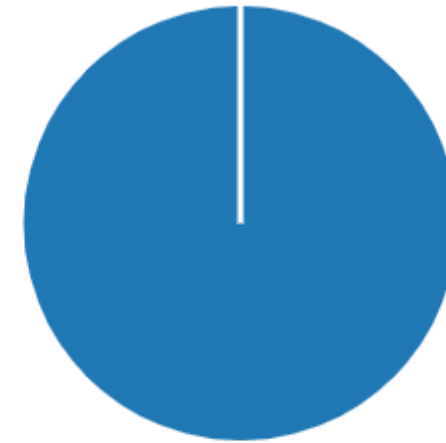


# Survey results

3. Are you seeking alignment with your business peers?

[More Details](#)

|         |   |
|---------|---|
| ● Yes   | 2 |
| ● No    | 0 |
| ● Maybe | 0 |
| ● Other | 0 |



3 - yes

# Survey results

5. Do you have any thoughts on who is doing this well? Please suggest some businesses you would like to hear from.

1 Responses

| ID ↑ | Name      | Responses   |
|------|-----------|---|
| 1    | anonymous | Would love to hear from others on how to effectively engage with the couriers |

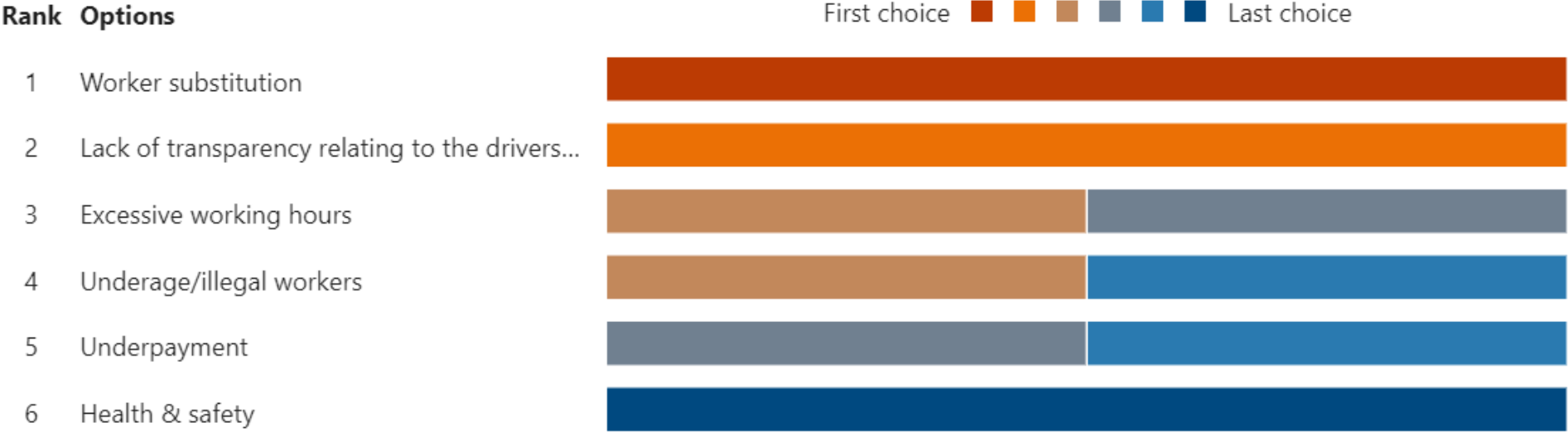
Gain industry learnings, expectations and actions to ensure alignment.  
Unsure of who is leading the way in this currently



# Survey results

6. What are your perceived priority areas of risk?

2 Responses



Excessive working hours, illegal workers would be the highest priority out of those risks





# Discussion and objective-setting

- What do we want to achieve as a group?
- Develop a code of conduct or aligned purchasing practices?
- What are the elements to cover and agree?
  - - minimum working hours
  - contract type
  - speed of delivery
  - health & safety
- What is FNET's role? Additional resources may be required.
- Proposal



# EU Legislation

April 2024, EU Parliament voted in favour improving working conditions of gig economy workers. Needs approval by Council.

The **EU platform workers directive** aims to correct misclassification of self-employment, improve transparency and regulate the use of algorithms and data in taking decisions about platform workers.

EU countries will have to set up national rules to regulate platforms, gig workers will be assumed to have an employment relationship with the platform.

Not be allowed to process certain types of **personal data** such as private exchanges with colleagues. Must inform workers of automated systems in decision making on hours and earnings.



# EU Legislation

In 2019, **MEPs approved minimum rights for workers on-demand, meeting the working threshold of 3 hours per week and 12 hours per 4 weeks on average.**

**Increased transparency on T&Cs** duties, duration, pay, reference hours for those with unpredictable work schedules.

**Better protection** ability to refuse, an assignment outside predetermined hours or be compensated if the assignment was not cancelled in time.

Probationary period limited to 6 months or proportionate to contract

The employer should not prohibit, penalise or hinder workers from taking jobs with other companies if this falls outside the work schedule

Mandatory training to be paid and given on the job



# UK Legislation

- Recent high-profile legal cases in the UK have challenged the status of gig workers, leading to rulings that many should be classified as workers rather than independent contractors.
- Uber drivers enjoy worker status; They are entitled to receive the National Living wage, obtain paid holiday leave of 28 days per year, and be enrolled on a pension plan.
- In 2023 supreme court on Deliveroo ruled that UK riders were independent self-employed contractors, and could not be classed as workers because they had the right to arrange a substitute to perform their duties if they did not want to or were unable to.
- This situation is evolving.

