

# Deliveroo response to the Government consultation on Employment Status

## Executive summary

Deliveroo is a British tech success story. Launched by two childhood friends just five years ago in London, today Deliveroo works with thousands of restaurants and riders to deliver great food to millions of people around the world.

## Why self-employment works

Central to Deliveroo's success is the **flexible** nature of the work we offer riders. Unlike conventional companies, Deliveroo is a platform in the 'on-demand economy', not a traditional employer. **Self-employed riders can choose whether to work, where to work and when to work.** They can reject work at any point and offer their services to multiple companies at any point - and so work with our competitors and other companies at the same time.

This way of working is very popular with our riders. **85% of riders agree that flexibility is what they value most about Deliveroo.** Two thirds of riders tell us the on-demand economy is a force for good. The on-demand economy has opened up opportunities for people to participate in the labour market, often for those who previously felt shut out. This is a fundamentally different relationship to the employer-employee relationship and for this very reason it is an increasingly popular way of working.

## Balancing flexibility with security

However, as Deliveroo has long recognised and argued for, riders deserve the **security** afforded to other types of employment. We believe everyone - regardless of their type of contract - is entitled to certain benefits. But today we are constrained in offering benefits to riders due to the current classifications of either 'employee', 'worker' or 'self-employed'. 'Employees' and 'workers' can freely be offered a broad range of benefits, but do not have the full flexibility self-employed people enjoy; the self-employed are not entitled to those benefits.

Equally, the way in which 'employees' and 'workers' (or 'dependent contractors' if the recommendation to rename the status is taken forward) accrue benefits is based on a definition of 'working time' that assumes people are working exclusively for one employer for a defined period of time. This is incompatible with on-demand work, and cannot be applied without losing the flexibility that those in the on-demand economy value.

**Deliveroo has long argued that we want to be able to offer riders both flexibility and security**, ending the trade-off that currently exists within employment law. While there was much we agree with in both the Taylor Review of Modern Working Practices and the Government's Consultation on Employment Status, this specific issue was not considered in depth.

In our desire to protect riders, Deliveroo has already taken on risk to give riders more security within the current framework. We were the first platform in the on-demand economy to offer riders insurance, and 35,000 riders in all markets in which Deliveroo operates will have access to free accident insurance to protect them and their earnings should they be unable to ride as a result of an injury while on the app. Cyclists are also enrolled onto a public liability insurance scheme free of charge. We have set a standard that others are now following, because we believe it is the right thing to do. But by giving riders benefits, there is an associated legal risk to the self-employed status. **We would like to end this trade-off, and be able to give riders benefits without the risk of their employment status being altered by courts or regulators.**

Deliveroo is not specific about policy solutions, as it is not our role to set policy. In our submission to the Taylor Review, we made clear we are open to ideas in this area. In this submission, Deliveroo proposes the **creation of a new Charter to clarify the relationship between on-demand companies and self-employed contractors.**

### **A new Charter**

The Government could introduce a Charter to codify and record best practices for how companies can legitimately work with self-employed contractors and what additional protections can be provided to contractors without the risk of affecting employment status. Contrary to the position with employees and workers, at present there is a significant lack of clarity about how platforms should work with self-employed contractors. New government guidance in the form of a Charter would go a significant way in providing greater clarity and certainty for those working in the on-demand economy - and set the standard for best practice as the on-demand economy grows across the world.

**We propose the Charter specifies that, amongst other fair practices, platforms are able to directly provide certain benefits to contractors, including insurance, payments expressly designed to facilitate time off for sickness or for holidays, without this affecting their employment status.** And, in order to support contractors with valuable life skills, on-demand companies should be able to provide training (relating to the work provided, or otherwise).

The manner in which benefits (for example, entitlement to annual leave) are calculated for employees and workers is not appropriate for the on-demand economy, and Deliveroo would propose that the Charter should make clear that such benefits can be accrued on the basis of earnings rather than on hours or days work.

In summary, Deliveroo believes there should be greater clarity for platforms and the self-employed, which at the same time will help to ensure that the UK on-demand economy thrives, to the benefit of businesses, consumers and riders alike. **In the spirit of enhancing rights and protections for all, and allowing people in the on-demand economy to receive benefits without losing the flexibility they value, a Charter should be introduced to enable on-demand companies to directly provide benefits to contractors.** This new proposition would both harness the desire for flexibility and address the need for more security, allowing on-demand companies to continue to prosper and make a significant contribution to the UK economy.

## **Deliveroo's story**

1. Deliveroo was launched in February 2013 in London by Will Shu and his childhood friend and Co-Founder, Greg Orlowski. Our company's mission is to be the world's definitive food company, bringing people new and exciting food from local restaurants whenever and wherever they want it. Today, we deliver orders in on average 30 minutes, and provide the fastest, easiest way to order great food.
2. Headquartered in London, Deliveroo is a British start-up success story. Today, we directly employ over 2,000 people and the company works with almost 15,000 riders in the UK alone. Worldwide, we work with 35,000 riders and 35,000 restaurants.
3. Deliveroo's British-built technology has helped us expand in the UK and around the world. We now operate in over 200 cities in three continents, including: London; Manchester; Birmingham; Edinburgh; Bristol; Brighton; Oxford; Cambridge; Reading; Guildford; Liverpool; Leeds; Nottingham; Southampton; Cheltenham; Leicester; Cardiff; Sheffield; Exeter; Bath; Aberdeen; Chester; Glasgow; Bournemouth; Derby; Newcastle; Coventry; York; Norwich; Dublin; Cork; Paris; Lyon; Lille; Bordeaux; Nantes; Milan; Brussels; Madrid; Barcelona; Amsterdam; Berlin; Haarlem; Hamburg; Munich; Dusseldorf; Cologne; Frankfurt; Sydney; Melbourne; Hong Kong; Singapore; and Dubai.
4. In 2015/16 our revenue growth was over 650%, in the past 12 months the number of restaurants on the platform is up by 62%, and the number of riders we work with has increased over 74%. We have secured over \$850 million of funding in total. The company is valued at over \$2 billion, cementing our position as a British tech success story.
5. Deliveroo is proud of our growth and we recognise that we need to be a socially responsible company. Deliveroo operates an environmentally-friendly delivery fleet, predominantly made up of cyclists. This helps to reduce congestion and pollution when compared to fleets of cars and other delivery vehicles. Indeed, with a fleet dominated by cyclists rather than scooters, recent analysis shows that Deliveroo cyclists helped save nearly 1,400 tonnes of carbon dioxide last year. Deliveroo is trialling means to encourage use of e-bikes and hopes to be able to make greater use of e-vehicles in the near future.

## **Why self-employment works - for riders, for Deliveroo and for the economy**

6. For decades people have chosen to work for themselves. Builders and hairdressers have often chosen the freelance route to maintain control over the type and amount of work they undertake. Many still do this, with analysis from McKinsey Global Institute suggesting that the independent workforce in the UK could make up as much as 26% of

the working-age population<sup>1</sup>. The benefits of self-employment are well-known, from deciding when, where and how to work, to fitting work around life and other commitments.

7. Central to Deliveroo's success as a British business is the flexible nature of the work we offer riders. Unlike conventional companies, Deliveroo is a platform in the 'on-demand economy', not a traditional employer. Self-employed riders can choose whether to work, where to work, when to work, can reject work at any point, can finish work at any point, and can offer their services to multiple companies (including other platforms and restaurants directly) simultaneously. Riders have no obligation to perform any work, and even where they choose to do so there is no obligation to do so personally, with riders able to appoint substitutes at their discretion. This is a fundamentally different relationship to the employer-employee relationship and for this very reason it is an increasingly popular choice for people - 81% of riders are happy working with us and nearly two-thirds believe the on-demand economy is a force for good. There is no other type of work that allows people to work whenever or wherever they want; no other work that allows them to both plan where to work but also change those plans right up to the last minute; and no other type of work that allows people to work for a competitor (and others) at the same time.
8. The flexibility that comes with self-employment is hugely popular with our riders. We know from our regular and in-depth rider engagement programmes that riders value this type of relationship. Riders want to be able to choose when and where to log in, have the freedom to accept or reject a delivery, and be able to decide to work or not whenever they want. Our research has shown that people want to work with Deliveroo *because* of the flexibility that it offers them - in a recent survey, 85% agreed that flexibility is what they value most about working with Deliveroo. This complements what the Government itself noted: 'gig economy work is highly flexible and this is very much appreciated by those engaged in it... A large proportion of respondents were relatively content with their working life and had no expectation that it should be any different in terms of work flow, control and scheduling.'<sup>2</sup> It is notable that the rise of those choosing to work in the on-demand economy has come at a time when unemployment has hit historically low levels, underlining that for riders this is an active choice.
9. Our platform has opened the door to people who previously felt locked out of the labour market and to those underrepresented in conventional employment, such as carers. This is true of our riders, 40% of whom have caring responsibilities. On-demand work gives people the flexibility they need to make money whenever they have the time, with 77% of riders telling us that the on-demand economy has made it easier for them to find work. Similarly, self-employment offers a route back into the labour market, as the Government

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<sup>1</sup> McKinsey Global Institute, Independent work: choice, necessity, and the gig economy, October 2016 [link](#)

<sup>2</sup> HM Government, The experiences of individuals in the gig economy, February 2018, [link](#)

itself noted: 'many women said that they had left employment in order to look after their children, and that gig economy work allowed them to be flexible around their childcare commitments'. For others, being able to take on flexible work offers an opportunity to continue to participate in the labour market in some way, as the Government also noted: 'respondents with mental and physical health issues made the transition from employment to gig economy work because they felt that it was better suited to supporting their health and wellbeing'.<sup>3</sup> The Government also found that self-employment offers people 'a way of finding work quickly and giving them a chance to build up some work experience'. Half of our riders are students, and with a variable studying timetable - such as irregular lectures, deadlines and exams - committing to a set work schedule can be hard to balance alongside studies. The on-demand economy provides flexible work not found in other types of employment, allowing students to fit work around their lifestyle, and not the other way round.

10. For many people, the work that the on-demand economy provides is a valuable opportunity to supplement pre-existing income. The Government's own research has revealed that only 8% of those working in the on-demand economy said the money they earned in this type of work is their main source of income.<sup>4</sup> This echoes Deliveroo's own survey data, which shows that working with Deliveroo is not normally treated as full-time work, but top-up income. On average, riders work with us fewer than 15 hours a week, 85% of our riders work with Deliveroo in addition to other commitments, and only one in ten riders cite Deliveroo as a main source of income. This shows that working with Deliveroo and similar platforms complements conventional forms of employment or work.
11. Deliveroo is one of many companies who use technology to offer this new way of working. A defining and popular feature of the on-demand economy is that people can offer their services simultaneously through multiple platforms. Riders can be logged in to multiple delivery apps at once, giving them the ability to offer to work with competitors at the same time, doing deliveries for multiple companies within the same hour and having entirely free choice as to which platform they choose to accept work from - in addition to private arrangements they may have with particular restaurants. Almost 60% of Deliveroo riders in the UK do this.
12. Deliveroo has recently had its relationship with self-employed riders affirmed by the courts. The Central Arbitration Committee confirmed Deliveroo riders' self-employment status and in turn upheld their ability to continue enjoying the flexibility they value. The High Court then backed this up in May 2018, rejecting an application for the CAC's decision to be subject to judicial review.

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<sup>3</sup> HM Government, The experiences of individuals in the gig economy, February 2018, [link](#)

<sup>4</sup> HM Government, The experiences of individuals in the gig economy, February 2018, [link](#)

13. The popularity of the flexible, self-employed work Deliveroo offers has allowed us to expand rapidly, which in turn has had a substantial, positive impact on the restaurant industry and the wider economy. Many of the best restaurants in the UK are already part of our growing restaurant partner network. Deliveroo works with over 10,000 restaurants in the UK, the majority of which are independent small businesses. We have helped restaurants to secure new customers who not only order food at home via Deliveroo but who, having tried restaurants via our app, will eat-in at the same restaurant at a later date. Restaurants who use Deliveroo see their revenue boosted by up to 30% and, as a result, are able to create new jobs as well as provide more work to existing employees. The benefit Deliveroo brings to the UK restaurant industry was underlined by independent analysis by Capital Economics published last year, which found that Deliveroo has helped create 7,200 jobs across the sector since it launched in the UK.
14. The same study also found that Deliveroo's operations contributed £372 million of value added to the UK economy in 2016/17. The analysis shows that if the number of restaurants partnering with Deliveroo globally continues to grow at the same rate for the next two years as in 2016/17, Deliveroo will support around £1.5 billion in gross value added and £200 million in annual tax revenues in the UK alone in 2018/19.
15. Deliveroo's operations have generated more than £110 million for the Exchequer through taxes paid by Deliveroo as well as taxes generated from Deliveroo's operations - including by restaurants and riders as a result of their partnerships with Deliveroo. As Deliveroo expands globally, our growth will be powered by our UK HQ in London, driven by a growing employee base of highly skilled tech engineers in Britain. By the end of 2018 we will have created nearly 600 new tech jobs in London in two years. Our global expansion will create jobs in the UK, generate revenue for the Exchequer, grow the UK's skills base and support the UK restaurant sector.
16. Deliveroo's contribution to the UK economy is mirrored by the wider 'on-demand' sector - and is to only grow further. McKinsey Global Institute calculates that by 2025, digital work platforms could add \$2.7 trillion to global GDP. For the UK, that equates to £45 billion in GDP and extra work for 766,000 people.<sup>5</sup> PwC has found that the UK's sharing economy could facilitate about £140 billion worth of transactions per year by 2025.<sup>6</sup> There are huge opportunities for the UK in nurturing this new sector, and in encouraging new start-ups to set up in this country.
17. In summation, this new way of working is popular, helps new people into work, supports restaurants, raises revenue, and supports economic growth. There are currently 1.1 million on-demand workers in Great Britain - and this has the potential to grow. 18% of the working age population, or roughly 7.9 million people, would consider some form of

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<sup>5</sup> Recruitment and Employment Confederation, 'Uberisation of work', 2017, [link](#)

<sup>6</sup> PwC, The Sharing Economy Grows UP, 2016, [link](#)

'gig' work. The RSA estimate that the number of young people in the on-demand economy could grow to around 3.7 million.<sup>7</sup>

### **Opportunities to develop self-employed working**

18. The on-demand economy has changed the way people work and revolutionised how the public consume goods and services. The UK has a unique opportunity to be a world leader in creating a regulatory framework which ensures the on-demand economy thrives and can benefit businesses, consumers and those who seek to work within it. The Government's Industrial Strategy identifies the data-driven economy, which includes businesses such as Deliveroo, as an area where the UK wishes to become a global leader and it is important that the regulatory framework is supportive of this aim.
19. Deliveroo welcomes the fact that the Government is looking at the issue of self-employment as part of its assessment of modern working practices. We strongly agree with the Taylor Review that *quality* of work is as important as the *quantity* of work. We believe that there is a unique opportunity to ensure new ways of working are fair, balancing the ability to work flexibly, to earn well and to be protected while working. This would help make the UK one of the most attractive places to establish and grow new companies of the future.
20. There are already European governments that are taking sensible steps to make sure that the specific needs of the on-demand economy can be partnered with the desire to protect those who work in it.
21. A number of suggestions made in the Taylor Review would bring immediate benefits to those who work in the on-demand economy without harming the flexibility they value. We welcome the proposal for the Government to develop advice and support for people embarking on a self-employed career, such as ensuring that self-employment is considered by work coaches at Jobcentre Plus. Deliveroo also agrees that the Government should support technology that helps give self-employed people in the on-demand economy more control over their earnings. To this end, Deliveroo is launching a trial of Portify, a new app which will give riders in the UK a financial tool to help calculate self-employed earnings and expenses, the ability to track tax and universal credit eligibility, and make real time adjustable pension contributions. We would further encourage the Government to think creatively on ways to improve pension provision amongst the self-employed.<sup>8</sup>
22. We also support policies which will provide more opportunities for lifelong learning for those who are self-employed. People are living and working longer, having several

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<sup>7</sup> RSA, 'Good Gigs' 2017, [link](#)

<sup>8</sup> Good Work: The Taylor Review of Modern Working Practices, [link](#)



different careers and often using self-employment to enable them to care for loved ones or begin a family. The skills system needs to support these people and ensure if they choose to re-enter permanent work, or wish to continue being self-employed for Deliveroo or other companies, that they are able to continue to develop and gain the skills to thrive in the economy of the future. We think the Taylor recommendation for a 'unified framework of employability skills' could be a positive way forward.

23. We agree with the Government that 'it is important that any action the government takes preserves flexibility in our labour market, does not impose unnecessary burdens on businesses, and does not create an adverse impact on the ability of those in the UK labour market to work, or how they work'.<sup>9</sup>
24. We were also pleased that the Taylor Review noted that 'individuals and companies working in the on-demand economy have also repeatedly said to us that they value the ability to "sign on" for work as and when they please. Platforms present individuals with greater freedom over when to work, and what jobs to accept or decline, than most other business models. It is essential we do not lose this'.<sup>10</sup> We very much hope that the Government agrees with this sentiment and ensures it is embodied in policy.

### **Balancing flexibility and security**

25. Deliveroo riders are self-employed, as has been affirmed by the Central Arbitration Committee in November 2017. Two tests that are important to preserve in determining this status are the extent to which an individual is obliged to perform work personally and the extent to which an individual is under the control of another.

#### (i) Personal service

- a. Riders are able to use substitutes, where they can allow other individuals to complete deliveries for them, or even take over usage of their rider account entirely for an extended period if they wish. This can be for any reason, for example, it might occur if a rider is away for an extended period of time, or if someone simply wants to try out working with Deliveroo.
- b. The broad right to designate a substitute to carry out the work - in this case to perform deliveries using another rider's account - is an important part of flexible working that many riders utilise. This ability to substitute was a central pillar in the decision by the Central Arbitration Committee in November 2017 which ruled that Deliveroo riders are self-employed. The High Court has gone on to state that the genuine right to substitute 'is not susceptible to judicial review'.

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<sup>9</sup> HM Government, Good Work: a response to the Taylor Review of modern working practices, February 2018 ([link](#))

<sup>10</sup> Good Work: The Taylor Review of Modern Working Practices, [link](#)

- c. In addition, some riders will earn a percentage from any fees on substituted orders, which is an important element of riders' ability to profit from this flexible working. This gives further credence to the fact that many riders view working with Deliveroo as running their own business and are engaging in work that is fundamentally different to traditional employment.

(ii) Control

- a. The current importance placed on control in judgments over employment status should be maintained. The absence of control is a defining feature of on-demand work and allows people the freedom to be their own bosses. Examples of the absence of control between Deliveroo and a rider are:
  - b. They can choose when to work, where to work, to change their plans to work, and to accept or reject a particular delivery.
  - c. Riders decide how to perform the work - delivering using any route that is safe and efficient.
  - d. Riders provide their own equipment to suit their needs, for example the vehicle that they want which is most suitable for their needs.

26. However, the problem within the current system is that the direct provision of benefits by a company to a contractor is also taken into consideration in legal judgments determining status. There is clear employment law guidance to the effect that providing benefits directly could lead to courts ruling that the nature of our relationship with riders has changed and could impact on riders' status.<sup>11</sup> It is also worth noting HMRC's guidance in the Employment Status Manual paragraph ESM0544, which indicates that the provision of employee-type benefits is a factor that HMRC takes into account in determining employment status.

27. As an example, and as noted in Deliveroo's submission to the Taylor Review, in 2015 the company looked into the possibility of introducing a discretionary system whereby a certain proportion of Deliveroo shares could be offered to the very best riders. We thought this would be an effective way of rewarding riders with exceptional service levels and would also act as an incentive to other riders. It would, more importantly, send a powerful message that this company acknowledges that its success is driven by exceptional riders who are rewarded by a share in the company's successes. Unfortunately, this is an example of something Deliveroo feels unable to progress based on the current law and other guidance, without risking reclassification of riders' self-employed status.

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<sup>11</sup> Please see in particular, Harveys on Industrial Relations and Employment Law and Tolleys

28. The consequence of a change in employment status for riders, reclassifying them as 'workers', is that this would result in loss of flexibility. This is because workers are entitled to benefits that are calculated on the basis of the duration of work completed, assuming that people are working exclusively for one employer for a period of time, during which they are obliged to perform certain tasks. This is the current understanding of 'working time' and it is incompatible with the on-demand economy, where riders are not required to do any minimum amount of work; when they are under no obligation to work and are free to reject a delivery that is offered to them; they are free to log in to a competitor's app at the same time and make deliveries for that competitor or for other companies, directly; and where the right of substitution means it may not even be the rider with whom we have a supplier agreement who is working at any given time. The result is that it is not clear when riders are actually 'working' with any single company.
29. In assessing holiday pay entitlements, for example, it is unclear how 'working time' would be defined. If a person is not under any obligation to do any minimum amount of work, can reject work when logged in and may be simultaneously working for other companies, simply being logged on to the app cannot be equated with 'working time' for holiday accrual purposes. Equally for maternity pay, it is not clear what would constitute a 'continuous period' of employment. We do not know whether this would begin from the moment a rider on-boarded, or whether this would be subject to having performed a certain quantity of work across a specific period of time. And for sick pay, it is impossible to say meaningfully what would constitute an absence when riders have no obligation to work and time worked may vary hugely from one week to the next.
30. Reclassification of rider status to 'worker' would inevitably lead platforms like Deliveroo to change their business models to the detriment of riders who value the flexible nature of the work we provide. In order to ensure compliance with the requirements of worker status - or even dependent contractor status as outlined in the Taylor Review - Deliveroo would be compelled to pay benefits and other rights based on the current definition of 'working time'. As a result, the company would need to enforce a requirement of exclusivity for riders and would need to set shift patterns, during which time work offered must be accepted, as this would be the only way to determine which platform was responsible for payments. Riders would need to be restricted from accepting deliveries from multiple apps at a given time and would instead have to work exclusively with one platform, accepting work offered and having "free login" rights removed. This would end the flexible work system, and riders are very clear this is not what they want.
31. Some have suggested that 'working time' in the on-demand economy should be interpreted as time spent having the app on, being in a location where the app could be used and being willing to accept jobs via the app. We would caution against using this judgment as the basis for future decisions around working time for similar reasons. First, riders can be logged in to multiple apps at the same time and offer their services to several companies, including competitors, simultaneously - there is no real way to

determine whether a rider online on multiple platforms intends to accept work from one or more of the platforms logged into; second, riders at Deliveroo have the flexibility to accept or reject a delivery that is offered to them whilst they are logged in to the app - and even unassign themselves after acceptance; third, as is the nature of the on-demand economy, demand varies throughout the day, as Matthew Taylor recognised in his report: 'it would clearly be unreasonable if someone could log onto an app when they know there is no work and expect to be paid'.<sup>12</sup> Should this definition be applied, Deliveroo would need to limit access to the app in all places at all times, and would need to introduce acceptance limits to ensure those logged in were willing to work, which would greatly reduce the flexibility riders currently have over when and where they can accept orders.

### **Ending the trade off between flexibility and security: a new Charter**

32. Deliveroo has long argued that we want to be able to offer riders both the flexibility that comes with self-employment and the security that comes with employment or worker status, ending the trade-off that currently exists within employment law. This was not addressed within either the Taylor Review of Modern Working Practices, nor the Government's Consultation on Employment Status.
33. Deliveroo believes that everyone, regardless of their type of contract, should be entitled to certain benefits. We do not believe that the thousands of students, or those with caring responsibilities, who work with Deliveroo should have to choose between having the freedom to decide for themselves when they work and whether they could be entitled to benefits. The key challenge for the Government, therefore, is to find a way of making sure that those who work in the on-demand economy are provided with additional security, while not depriving them of the benefits of flexible working. As outlined above, the current system presents a disincentive for companies such as Deliveroo, who want to preserve flexible working, to directly provide benefits to riders. The on-demand economy, therefore, requires a new approach.
34. Deliveroo has already taken steps to give our riders more security, ensuring that 35,000 riders in all markets in which Deliveroo operates will have access to free accident insurance to protect them and their earnings should they be unable to ride as a result of an injury whilst online. Cyclists are also enrolled onto a public liability insurance scheme free of charge. In December 2017, Deliveroo announced that UK riders will be able to purchase sickness insurance, making Deliveroo a leader in providing on-demand riders with both the flexibility they value and the security they deserve. In introducing such policies, Deliveroo took on legal risk to its model, but we did this because we strongly believe that it is the right thing to do and that everyone is entitled to certain benefits. We are glad that others in the sector have followed our lead. However, so long as the current

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<sup>12</sup> Good Work: The Taylor Review of Modern Working Practices, [link](#)

system remains in place, our ability to offer more security without compromising flexibility will be limited.

35. Deliveroo noted in our submission to the Taylor Review that one potential solution to the public policy challenge created by the on-demand economy is to make clear that the self-employed can receive benefits *without* there being a risk to the relationship between riders and Deliveroo being reinterpreted by the courts or other regulators. As we said in that submission, we are nonspecific about how this is achieved as it is not for Deliveroo to design a public policy response. We would be open to any solution, including legislation, that meant that the self-employed could receive benefits without having to worry about their employment status being altered and, in turn, losing the flexibility they tell us they value.
36. Deliveroo believes that a way to end the trade off between flexibility and security is for the government to introduce a non-statutory 'Charter for secure flexible work' which would codify how companies working with self-employed contractors can offer riders benefits without threatening the flexibility that comes with self-employment. There is guidance from bodies such as ACAS, which outlines how employers and employees or workers should work with one another and end those relationships (with fair redundancy and other dismissal processes), and there is guidance from HMRC on matters that would be considered by it in determining employment status. No such guidance exists for how platform or other companies can legitimately work with self-employed individuals. As noted above, there is a lack of clarity about how platforms should engage with self-employed contractors, and so a Charter would help to provide clarifying guidance.
37. As an example, Deliveroo would like to see the following specified within a Charter as legitimate support that could be directly provided by a company to a self-employed person:
  - **Providing benefits directly.** The company is able to directly provide certain benefits to contractors, including accident or third party liability insurance; funds or other payments expressly indicated to be used by the recipient to facilitate planned and unplanned time off; funds for retirement; and/or other incentives such as provision of share options or other incentives linked to the success of the platform.
  - **Training.** The company is able to provide training, either for health and safety purposes, specialist training courses related to the work contracted for, or training for wider life skills or educational qualifications.

38. The Charter could also outline the best practices on how companies work with the self-employed. This could include providing free equipment, offering discounted kit or communicating to people where there is demand for work.
39. At present, should a company offer any of the above to a contractor, each would carry an unnecessary and unjustified element of status risk, according to current law. Deliveroo does not believe this is right if we want the self-employed to be both protected while they work and to have the opportunity to gain greater skills to improve their chances of increasing their earnings potential throughout their working life.
40. Deliveroo would also propose that a Charter should set out that benefits for on-demand platform workers could be accrued on the basis of work performed rather than the hours or days worked, as is the current definition of the 'working time'. For example, riders could accrue the right to benefits on the basis of the number of deliveries they had completed or on the basis of earnings thresholds. This would mean that the Charter would help ensure that riders can receive benefits without facing the risk of having their employment status reclassified, and would also enable them to continue enjoying the flexibility of being able to work when, where and with whom they want, rather than having to work fixed hourly shifts.
41. The Government has rightly committed to "not only guarantee but enhance workers' rights and protections". Deliveroo does not believe that the self-employed should be excluded from this honourable objective. Therefore, we propose that it gives companies such as Deliveroo who want to offer contractors more protection the ability to do so without being forced into the 'worker' box, which is incompatible with the flexible work riders seek, as set out in this submission. A non-statutory Charter, as outlined above, would go some way to achieving this, providing greater clarity and certainty for those working in the on-demand economy.

## **Conclusion**

42. Deliveroo wants to work with the Government to create a regulatory framework which suits the needs of the modern economy. We recognise that the on-demand economy has changed the way that many people work - however this has created a host of opportunities for those who want to work with maximum flexibility and for others who previously felt shut out from the labour market.
43. We believe that there is a way of both harnessing the desire for flexibility and addressing the need for more security. This is to make certain benefits available to self-employed people on an accrual or other appropriate basis, and to provide clarity to the courts that such an arrangement should not be considered in the process of assessing employment classification as they simply reflect best practice for platforms. Such a change would

allow us to offer *both* flexibility and security to our riders, and would be a significant step forward in the modernisation of employment law.

44. We hope this submission provides a framework for future policy development to support the growing on-demand economy, and demonstrates the opportunity of updating employment law to make it fit for 21st century Britain, to the benefit of both individuals and businesses.

Ends