LETTER TO BRANCHES

The Communications Union @CWUNews #TheCWU CWU.ORG

No. 291/26

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To: All Postal Branches

Dear Colleagues,

SHEFFIELD UNIVERSITY REPORT ON WORK AND EMPLOYMENT IN LAST MILE PARCEL DELIVERY

The purpose of this LTB is to inform Postal Branches of a Sheffield University report on work and employment in last mile parcel delivery, which is available at the following link: Work and Employment in UK Last Mile Parcel Delivery Oct 2026.pdf - Google Drive

The report was launched at an event in Parliament on 20th October where Kate Dearden, Minister of State for the Future of Work, expressed support for its findings and recommendations on tackling insecure work and unfair competition in the parcel delivery sector. The CWU also joined the panel of speakers, along with representatives from the TUC who are helping us to push for the introduction of sectoral collective bargaining in parcel delivery, and the GMB who represent self-employed drivers in Evri.

The CWU has strongly welcomed the report, which finds that parcel delivery drivers face significant challenges in the workplace on a range of issues from pay and working time, to surveillance, demanding performance targets and health and safety concerns.

Background on the report

Sheffield University Centre for Decent Work's report on work and employment in last mile parcel delivery is based on around 1500 survey responses and 85 interviews with workers, union officials and union representatives in two major operators in the sector: **Company A and Company B**. The operators and the trade unions are not named in the report to avoid the risk of litigation against the university from companies like Evri, which is suing the BBC over claims its couriers earn under the minimum wage.[1] In **Company A drivers are mostly direct employees** and there are established union structures, whereas **Company B utilises a self-employed model,** including "Self Employed Plus".

[1] Evri suing BBC for £1.2m over Panorama programme | Money News | Sky News

Key findings

- **The report finds that Company A is better than Company B for:**
  - pay
  - working time
  - employment protections e.g minimum wage and sick pay entitlement
  - maintaining health and safety standards through collective bargaining

- **However Company A workers face similar challenges to Company B workers from:**
  - Extensive surveillance
  - Demanding performance expectations and targets
  - Stress
  - Work related bullying

- **Pay -** While drivers at both companies reported average earnings of £13 an hour, this hides sharp differences in take home pay. In particular:
  - **35% of self-employed drivers** estimated that they **earn less than the National Minimum Wage** vs 6% at Company A.[2]
  - **Self-employed drivers described significant costs**, including fuel, insurance, vehicle maintenance and mobile phones, and successive rate reductions that **cut their earnings.**
- **Working time** – Most Company A drivers worked a conventional five-day week, whereas 80% of Company B drivers reported working six days a week.
- **Sick pay** – 81% of Company A drivers received sick pay, while 99% of Company B drivers did not receive sick pay.
- **Holiday pay** – 99% of Company A drivers received holiday pay against 85% of Company B drivers, but Company B drivers holiday pay was financed through rate reductions associated with "Self Employed Plus" status.
- **Breaks -** More than half **(56%) of self-employed drivers said they take no breaks** during the working day, compared with 13% of directly employed drivers.
- **Surveillance - Electronic monitoring was almost universal**, affecting 99% of directly employed and 89% of self-employed drivers.
- **Delivery targets -** Around **two thirds of directly employed drivers** (65%) and more than half of self-employed drivers (58%) reported "very high" or **"a lot of" pressure to meet delivery targets.**
- **Bullying and harassment -** Nearly half **(47%) of all respondents said they had experienced bullying or harassment** at work. This was **higher for self-employed drivers** at Company B (53%) compared with directly employed drivers at Company A (43%).

Report Recommendations

The report recommends:

[2] The report says "this small proportion is likely to reflect under-estimation of pay, as the negotiated pay rates for Company A are set above NMW levels".

- **A special investigation by the Fair Work Agency** into working conditions in the sector, and into compliance with National Minimum Wage legislation.
- **Consideration of sector-specific minimum earnings floors**, with transparent rate-setting and measures against unpaid labour.
- **Mandatory minimum health and safety standards** for all depots, including those run by subcontractors.
- **Ofcom regulation to stop competition being won through exploitative labour practices.**
- **A clear statutory test of employment status**, **with stronger enforcement against bogus self-employment.**
- **An "Employment Charter for Parcel Delivery Drivers" developed jointly by the unions in the sector.**

Sheffield University's report comes at a time of growing recognition of the need to tackle bogus self-employment in both the parcel sector and the wider labour market. It adds to an increasing body of evidence and a growing number of calls for government action. For example, it reinforces the recommendations made by Citizens Advice in its report on parcel delivery pay and conditions, circulated in LTB 263/26, which called for the introduction of a single worker status to help level the playing field and reduce pressures on parcel delivery workers.

The findings also strengthen the CWU's own call for action to address bogus self-employment, insecure work and low pay, as set out in the motion passed at this year's Labour Party Conference and reported in LTB 256/26.

The publication of the report coincides with the Government's recent consultation *Make Work Pay: Employment Status Reform and Protections for the Self-Employed*, reported in LTB 279/26, which sets out proposals aimed at tackling bogus self-employment. The CWU will be responding to the consultation and will continue to press the Government to deliver the fundamental reforms needed to improve security, pay and protections for our members.

Yours sincerely,

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