Appendix 1

Proposal: Licensing and Community-Based Regulation of Gig Economy Deliveries in Cambridge

1. Background

A review of data available reveals a significant gap in established and evaluated interventions targeting the gig economy. A key theme emerging from the evidence is the prevalence of illegal activities associated with some individuals operating within this space. Concerns include illegal immigration and exploitation of gig platforms for unlawful purposes.

Currently, there is limited regulatory oversight of the individuals engaged as self-employed delivery riders through app-based companies. This creates opportunities for criminal elements to infiltrate the system, potentially putting public safety and community trust at risk.

Gig riders are featuring in collision statistics and are potentially high risk due to the “pay on Delivery” income model encouraging faster turn around and risk-taking riding.

2. Problem Statement

Restaurants and food businesses have rapidly diversified into delivery services, transforming their operational models beyond the traditional dine-in experience. Despite this shift, current licensing frameworks have not adapted to account for delivery as a regulated business activity, creating a regulatory blind spot.

In other sectors such as taxis, private hire, and courier services, licensing requirements ensure the identity verification and legitimacy of individuals engaged in transport services—even on a self-employed basis. The absence of a similar mechanism for food delivery creates a loophole that can be exploited.

3. Proposal

I propose a top-down regulatory approach that focuses on licensing the delivery function of businesses, rather than attempting to regulate individual gig workers directly. The key components of this approach are:

- Delivery Business Licensing:
  Any restaurant or food outlet offering delivery services would be required to hold a specific business license classified for delivery. This would parallel existing health, hygiene, and premises inspections required for in-house food preparation.
- Verification Framework:
  As part of the licensing process, businesses would be responsible for ensuring that any delivery riders carrying out deliveries on their behalf whether directly employed or self-employed—are subject to appropriate checks and verification. This would mirror the standards applied in other regulated delivery sectors.
- Safe and Responsible Delivery Charter:
  A Cambridge-specific initiative could incentivize compliance by promoting a "Safe Delivery Community" charter aligned with the Safe System approach. Participating businesses would commit to responsible engagement practices and community safety standards.

4. Benefits

- Crime Deterrence:
  Introducing licensing requirements would raise the bar for entry, making it more difficult for individuals operating illegally or for criminal purposes to participate in the gig delivery economy.
- Public Reassurance and Trust:
  A visible certification (e.g. window sticker, digital badge and website banner) similar to the hygiene rating system would allow customers to identify responsible businesses at a glance
- Business Incentive:
  Responsible businesses could distinguish themselves in a competitive market, positioning their participation in the scheme as a mark of trust, safety, and community engagement. For example:
- Protecting workers:
  This area of business can exploit those that are most vulnerable. People exploitation and trafficking in this kind of employment is of concern, this intervention will reduce those opportunities.

5. "Because we care about our local delivery Customers"

Public Messaging:
Campaigns could highlight the risks posed by unchecked delivery services using provocative and memorable messages. For example:

"He brought your pizza... he might be back for dessert."

This tagline could raise awareness about the risks of criminals using deliveries as reconnaissance for burglary or fraud, an issue already supported by national and regional crime data.

6. Next Steps

- Engage with Cambridge City Council Licensing and Public Health/Protection teams to explore the feasibility of extending current licensing schemes to include delivery functions.
- Draft a consultation paper for local businesses and residents to assess appetite and gather feedback.
- Develop the framework and branding for the Safe Delivery Community Charter.
- Pilot the initiative with a small group of restaurants and app-based delivery partners.
- Evaluate outcomes and refine the model for wider rollout.

7. Key Data & Evidence Supporting the Proposal

1. Regulatory Push on Illegal Working

- Home Office Expansion of Right-to-Work Checks
As of March 2025, UK law mandates that gig economy companies—including food delivery platforms—must verify workers' right to work in the UK. Non-compliance carries penalties of up to £60,000 per violation.
• GOV.UK: https://www.gov.uk/government/news/crackdown-on-illegal-working-and-rogue-employers-in-gig-economy

- Operational Agreement with Delivery Apps

On July 22, 2025, the Home Office reached agreements with Deliveroo, Just Eat, and Uber Eats to tackle illegal worker activity such as account-sharing. This marks a formal effort to ensure companies take shared responsibility for legal compliance.

• Financial Times: https://www.ft.com/content/e9f1a313-be9d-448d-9d3a-1e763eea46ff

The Times: https://www.thetimes.co.uk/article/gig-economy-crackdown-delivery-drivers-checks-2025

• The Economic Times: https://economictimes.indiatimes.com/nri/migrate/uk-signs-agreement-with-food-delivery-apps-to-curb-illegal-working-of-immigrants/articleshow/122877330.cms

2. Persistent Illegal Access Loopholes

- Account Substitution and Rental

Investigations have revealed a thriving black market for delivery app accounts, rented out for £70–£100 per week. This enables undocumented individuals—and in some cases minors—to operate as delivery riders, bypassing identity verification measures.

• The Times: https://www.thetimes.co.uk/article/illegal-migrants-deliveroo-ubereats-accounts-rented-2025

• The Sun: https://www.thesun.co.uk/news/32307532/loophole-migrants-work-illegally-deliveroo-justeat

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