



App Drivers & Couriers Union

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Mr. Sadiq Khan, Mayor of London
City Hall,
Kamal Chunchie Way
London E16 1ZE

March 16, 2022

cc. Seb Dance, Deputy Mayor and London Assembly Transport Committee

Re: Worker rights conditions before renewal of Uber's license

Dear Mayor Khan:

We are writing to you as Mayor and Chair of Transport for London (TfL) to ask for your urgent intervention in the imminent TfL decision on Uber's application to renew their operator's license in London due before March 27th.

Uber has not accepted nor implemented in full the ruling of the UK Supreme Court on worker rights and continues to illegally exploit workers. It is therefore your duty to demand that they now comply with the law as a condition of license renewal. We are asking that you act now to set the following conditions on Uber's license:

- Uber must comply with the court rulings and respect worker rights including the right to earn the minimum wage and holiday pay for all working time (including waiting time) from log on to log off.
- Uber must adopt a realistic driver operating cost reimbursement calculation of 90p per mile for the purposes of minimum wage calculation.

While Uber has accepted the Supreme Court ruling that drivers are workers, Uber is now contesting the definition of working time for when drivers are workers. Uber has arbitrarily decided that drivers should only be paid for working time from the moment of dispatch to drop off whereas the courts have ruled that drivers should be paid from log on to log off. This decision by Uber effectively cheats workers out of pay for around 50% of their true working time. Moreover, unless and until platforms like Uber are forced accept their responsibility to pay for stand by time, we can never rid ourselves of the core problem of the gig economy's piece work model which drives poverty for drivers and congestion and poor air quality for our urban communities.

Uber also arbitrarily decided last year to set 45p per mile as the unrealistically low reimbursement rate for driver operating costs for the purposes of calculating minimum wage. However, Uber has not increased the allowance for driver operating costs since last year

despite a 29% increase for vehicle costs¹ and 30%² for fuel. General inflation has eaten away the value of what little there is left to bring home. In other markets Uber has already introduced a fuel surcharge but has failed to do so in the UK despite workers being particularly hard hit here by the cost-of-living crisis. In short, Uber shareholders are using precarious and exploited workers to shield themselves from global economic risk associated with war, sanctions, and energy shortages.

To provide a practical example: good quality vehicles cost around £270 per week to rent. Assuming an average Uber driver drives approximately 500 miles per week that would be a weekly cost of £370 for vehicle rent and fuel. This is even before other significant costs such as the congestion charge, parking, cleaning etc. But at a rate of 45p per mile Uber is only reimbursing £225 leaving the driver short by at least £145. Assuming a 40-hour work week, the result of this is drivers are paid nothing at all for stand by time and short-changed on cost calculations to be paid as much as £3.62 per hour **less** than the minimum wage. The only other option a driver has is to work longer and longer hours to cover the overheads that Uber refuses to pay for, and this comes at the cost of greater fatigue risk on the road.

Since the Supreme Court ruling Uber has poured millions of pounds into a sophisticated PR and political influencing campaign to create the impression that it has accepted the ruling of the courts and has become a reformed character. Nothing could be further from the truth. In fact, Uber has continued its brutal litigation against their own workforce in the lower courts in this case now in its seventh year. As a union for precarious workers, we are forced to face the daunting prospect of a 5-day hearing in June this year before the Employment Tribunal. We will meet an army of Uber's highly paid lawyers who are desperate to find any legal trick to delay or deconstruct our hard-won worker rights protections.

For too long, under successive administrations, TfL has sat by idly whilst private hire driver licensees are mercilessly exploited to the point that the industry has descended to sweatshop conditions as identified by Frank Field MP³. Now is the moment for you to bring the laissez faire regulatory approach to worker rights to an end. We ask that you instruct TfL to immediately set tough but fair conditions on Uber's license. As our Counsel has previously written to you to explain, you have ample legal powers to set such conditions. We just need your leadership commitment now to do so.

Sincerely

James Farrar
General Secretary

Yaseen Aslam
President

1

<https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/january2022>

2 <https://www.racfoundation.org/data/uk-pump-prices-over-time>

3 ['Sweated Labour - Uber and the Gig Economy | Mayor's Question Time \(london.gov.uk\)](#)