



# Owner Driver Scheme Overview

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**We keep Britain on the move**



Document title: PF Owner Driver Scheme Overview	Version number: 2.0	Date issued: 20/06/2013	Review date: 20/06/2015	Owner: PFWW & Logistics STL	Location stored: QMDL
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## Parcelforce Worldwide

- Parcelforce Worldwide is part of the Royal Mail Group Ltd (turnover £ 8.4 billion) and is one of the top five express carrier businesses in the UK, operating in a highly competitive express market .The vision of Parcelforce Worldwide is ‘To be the UK’s most trusted worldwide express carrier’
- For over 20 years, Parcelforce Worldwide has provided a vital link for British businesses and individuals needing to send express shipments internationally and in the UK. We have a long history as part of the Royal Mail Group and pride ourselves on the dedication of our people to deliver high quality services for over 30,000 customers across the country.
- Parcelforce Worldwide has been working with Owner Drivers for over 12 years and we recognise the importance of operating a self-employed model which is beneficial to both businesses.
- Recent years have seen enormous changes in the market place and Parcelforce Worldwide has responded with major investments to increase our capacity and improve our technology. In Autumn 2013 we will be opening an additional hub in Chorley with the very latest sorting equipment and scanning technology. As well as moving or extending 10 of our existing depots we are opening 2 new depots in Cornwall and Hampshire.
- At Parcelforce Worldwide, we realise that we’re delivering more than parcels. We’re also delivering a commitment to our customers so we strive to meet and achieve their expectations every step of the way. Everyone that works for us has the responsibility for creating a smooth and efficient service.

## The routes

- Delivery and collection routes are created by combining 2 or more postcode sectors, and the current structure has around 2500 of these routes, of which 594 are operated by self-employed Owner Drivers. A typical route will handle over 100 parcels per day for deliveries, and make 10 to 20 collection stops, although this varies considerably both on a day-to-day basis and according to the route characteristics.

## The “Services”

The services offered by Parcelforce Worldwide are briefly described below: –

- **Parcelforce express9 (PF9):** Collection from any UK address and guaranteed delivery by 9.00am the next working day.
- **Parcelforce express 10 (PF10):** Collection from any UK address and guaranteed delivery by 10.00am the next working day.
- **Parcelforce AM (PF12):** Collection from any UK address and guaranteed delivery by noon the next working day.
- **Parcelforce PM:** Collection from any UK address and guaranteed delivery between 12.00hrs and 17.30hrs the next working day.
- **Parcelforce 24 (PF24):** Collection from any UK address and guaranteed delivery by 17.30 the next working day.

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- **Parcelforce 48 (PF48):** Collection from any UK address and guaranteed delivery by 17.30 two working days later.
- **Attempted (739) Deliveries** to POL – Undeliverable items delivered into designated Post Offices (as designated by Parcelforce Worldwide from time to time).
- **Scheduled Collections** - Collections carried out on a regular basis (e.g. daily). Owner Drivers will be provided with details of all scheduled collections.
- **Ad-Hoc Collections**– Collections carried out as and when requested by the customer. Parcelforce Worldwide Owner Drivers will be notified of ad-hoc collections before leaving the depot on the due day or whilst on route using the handheld device. The latest time by which notifications may be made is to be agreed between the Owner Driver and Operations Manager.

Owner Drivers are required to ensure the collection and delivery of all Parcelforce Worldwide products.

## The basics

- You will normally be required to ensure that the Services are provided on a six-day week, **Monday to Saturday**.
- There is no obligation on you to personally provide the “Services” – you are free to use a “Designated Driver”, subject to us ensuring that any such person is suitable.
- There will on occasions be a requirement to provide the Services on Sundays, and you may exceptionally be required on Bank Holidays. Providing the Services other than on Monday to Friday will be discussed locally with the Operations Manager, but you should expect to have to arrange to cover the route to which you contract every day from Monday through Saturday on a regular basis.
- Each day you will arrive at your designated time, to load or to collect your pre-loaded vehicle. The time will depend on the route, but it’ll be an early start, usually between 0530 hrs. and 0700 hrs. Once your vehicle is loaded, you will be pre-briefed before leaving the depot to commence deliveries and collections.
- Later on, you’ll make ad hoc and scheduled collections. We will send you update’s using our hand held Track & Trace technology, during the day.
- We operate a clear route policy, and that means that shortly after you start we will expect you to ensure delivery of all the parcels in your contracted area, and clear all scheduled and ad-hoc collections each day within your contracted area, and also any extra areas which you, or your “Designated Driver” may take on an ad hoc basis to boost turnover.
- The only items that should be brought back to the depot are undeliverable items. There is no payment for failed deliveries.
- When deliveries are complete, and all collections returned to the depot, you, or your “Designated Driver” will be de-briefed and this will fulfil your contractual obligations to Parcelforce Worldwide for the day.

## The money

- You get paid an amount for the each stop that you successfully deliver to or collect from, and a smaller amount for each additional parcel collected from the same address.
- You only get paid for successful deliveries or collections, where you capture an electronic signature for the parcel and achieve the applicable service standard e.g. by 10 am for PF10

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deliveries. You get the opportunity to deliver any parcels where you haven't been able to get a signature because people were out to a local drop-off point, usually a Post Office.

- When you contract for a route, we agree one rate, a base rate, and the other prices will be based on a percentage of that rate (see below). You get a higher rate the earlier the parcel has to be delivered.
- For example, if the base rate price per stop was £1.00, then you would get:
  - ❑ £2.00 for a pre 9am (PF9)
  - ❑ £1.60 for a pre 10am (PF10)
  - ❑ £1.40 for a pre 12pm (PFAM)
  - ❑ £1.00 for a 24hr, 48hr, PM or international item
  - ❑ £0.10 per additional item delivered for each stop
  - ❑ £1.50 for a Collection stop
  - ❑ £0.10 per additional item collected from each stop
- Our customers also have a requirement for undeliverable parcels to be delivered into a collection address (usually a Post Office).
- At the end of each week we add up the number of deliveries and collections you've done and produce your invoice for you – all you have to do is check it and sign, then it's paid directly to your bank account within 7 business days from receipt of an invoice, **guaranteed**.
- At present, there is no fee payable to contract for a route – there's no franchise or license fee.

## Our requirements

- You will need to provide and use a van or vans in Parcellforce red “Currant red” (No. 539. BS381C) with fully approved Parcellforce livery on it. You can personalize the vehicle with your name or the name of your business in an approved style on the vehicle. For guidance on acceptable livery, see the diagram attached. (Annex 2)
- You can use whatever make and model of van you want, as long as it's suitable and meets Parcellforce standards. A number of suppliers have special deals for acceptable vehicles, and these can be found on the “Supplier Offers” information, available from the depot.
- Your van must be no more than 4 years old while in use. If you already own a van and you're thinking about getting it re-painted, the van must have a professional paint finish.
- All vehicles must be fitted with either a reversing camera and monitor, or a reversing sensor suitable for safe use in preventing Reversing Accidents
- As well as vehicle insurance which must cover the carriage of goods for hire and reward you will also need –
  - ❑ £5 million Public Liability insurance
  - ❑ £5 million Employers Liability insurance
  - ❑ £25,000 Goods in Transit insurance.
- Again, there are a number of companies who offer preferential rates for Parcellforce Worldwide Owner Drivers, and these are detailed in the “Supplier Offers” information, available from the depot
- You must also be covered by emergency breakdown cover and have arrangements in place to ensure you can fulfil your contract. This means that you will have to have arrangements in place for a replacement vehicle (not subject to the livery condition) in the event that your

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main vehicle is off the road for any period. This non-liveried status is only acceptable as a temporary measure whilst your main vehicle is being repaired or maintained.

- You'll wear Parcelforce uniform at all times while you are working for us, which you can buy from our contracted supplier at cost.
- We have a Track and Trace system which uses handheld devices and you will lease this equipment from us for £5.00 + VAT per week. You are liable for breakage and loss of the handheld device while it's in your care. The device is an essential part of your work and provides signature capture, proof of delivery and communication with the depot.
- Before you can start work you need to do 3 days induction training to familiarize you with our processes, products and equipment. The training is provided free, but you will have to provide your own time.
- Your contract is for every week of the year, so you will need to provide suitable cover for when you take holiday or you're off sick. You could get a self-employed or agency driver to do cover work for you, you could get a friend or relative trained up or a group of you could work together to cover each other. You must provide details of your substitute to the depot. This will enable CRB checks on any relief driver before you let them take parcels out of the depot on your behalf.
- You are also free to have someone help you to carry out the daily work, and this helps when you wish to take time off, because they are already familiar with the job and the area. You will be required to provide basic information (name, current address, National Insurance number, for anyone who carries out work on your behalf).

## The contracting process

- The agreement of an Owner Driver supplier contract is reached through competitive tendering, and there may be more than one supplier who wishes to agree a contract for services on that area, so there will be some negotiation as to the rate.
- The process usually has two distinct stages – the first of which is where we have a preliminary meeting to exchange information about each other, followed by a second stage where we negotiate and agree the base rate for the contract. This is often in the form of an interview with two halves on the same day, but may require attendance on two separate days:
  - In the first half of the meeting, we will discuss your experience and what attributes you can bring to the relationship, and the route(s) you are interested in. You will be expected to have done some research on the issues and understand the nature of the relationship that we are discussing.
  - Before the interview, you will be sent a copy of the standard contract and Service Level Agreement. You will need to read these and understand them so that you can ask any questions at the interview. At this interview we may discuss expectations of turnover for the contract, and you can expect to discuss how you intend to ensure that the Services are maintained, including holiday and sickness cover – in fact, all the resources at your disposal to provide the Services.
  - After the first half of the interview, there may be an opportunity to look around the depot, to give you a feel for the place and perhaps introduce you to a few key people. If we both still feel we want to pursue the process, then we will move to the second stage of the process, at which we will negotiate and agree the rate(s).

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- Following agreement, if reached, at this meeting, a contract will be produced which details the date of commencement, the area, and the applicable rates, as well as the terms and conditions under which the agreement will operate.
- It is very important that you read and understand the terms and conditions before signing up to the contract. If you have any queries, please speak to someone. The local manager is a source of information, but also the independent agencies listed later in this document.
- Once you are happy to go ahead, agree a start date with the manager, and sign and return the contract to us.
- It is important to note that contracts are issued subject to you passing Royal Mail Group's security vetting procedure (CRB Checks), and we will require some information from you to allow us to carry out the checks, as well as your permission to carry out and record the checks. If you intend to employ someone to assist you in making the deliveries and collections, you are required to ensure that they are suitable by having them security vetted by the depot before you use their services.
- On acceptance of the contract offered, we will arrange mutually acceptable training dates. The training is provided free of charge by Parcelforce Worldwide, but you must provide your time free of charge also.
- If you are unsuccessful in the competitive tendering process you will receive advice as soon as possible. It may be the case that you only just missed out and that Parcelforce may be able to offer you an alternative contract for a different area. If that is the case, then we will normally discuss this with you at the time of informing you that you have been unsuccessful.

## What now?

- Do some research – Thoroughly read and re-read this pack, and speak to your family and friends about taking on this new venture – it is a big step for you, and a serious undertaking.
- You may wish to speak to a legal advisor before signing the contract.
- You may wish to contact a business advisory service such as Business Link (in England) or one of the other regional agencies (see Annex 1 – Help & Advice) who will be able to guide you through finding free independent advice in your area.

## Annex 1

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## Help and advice

- If you are interested in becoming self-employed there are lots of organizations that can give you information and advice. We have provided a list of agency contact details throughout the UK that you may find useful.
  - **Business Link in England**

The network of Business Link operators in England gives independent and impartial business advice, information and a range of services to help those trying to start up new businesses.

National Contact Centre on Tel 0845 600 9 006 (open 8am – 8pm Monday through Saturday) or visit the website at: <http://www.businesslink.org/>
  - **Small Business Gateways in Lowland Scotland**

The Small Business Gateway provides a single point of access to a range of services offering help on Business Information, Business Start-up and Business Growth.

To be directed to your nearest Small Business Gateway visit the Gateway website: <http://www.bgateway.com/> or call 0845 609 6611.
  - **Business Information Source in Highland Scotland**

The Business Information Source Network is provided by the Highlands and Islands Enterprise Network. It consists of a network of Business Information Officers in Local Enterprise Companies that can answer your business enquiries, or provide information about the Highlands & Islands business area.

You can contact the network by phone on 01463 715400, or by visiting the information-packed website – <http://www.enterprise-europe-scotland.com/>
  - **Business Connect Wales**

Business Connect Wales offers free, impartial advice and signposting. If you are looking to start your own business or for help with your existing small or medium sized business, then make contact through the website or phone number 03000 6 3000 or by walking into one of the 32 centres across Wales.

Tel: 03000 6 03000 Website: <http://www.startups.co.uk/business-connect-wales.html>
  - **LEDU in Northern Ireland**

The Local Enterprise Development Unit (LEDU) provides a wide-range of business information to companies in Northern Ireland. There are Seven Regional Information Centres in Ballymena, Belfast, Craigavon, Enniskillen, Londonderry, Newry and Omagh, which are also a useful source of information and advice.

Website: <http://www.investni.com>
  - **Websites**

In addition, there are many websites offering information on starting a business, a selection of which include:

Small Business Service – [www.berr.gov.uk](http://www.berr.gov.uk)  
Inland Revenue – [www.inlandrevenue.gov.uk](http://www.inlandrevenue.gov.uk)  
Prince's Trust (18–30 year-olds) – <http://www.princes-trust.org.uk/>

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- **Financial advice**

Royal Mail Group and its employees are not authorized to give financial advice under the Financial Services Act of 1986. If you require financial advice, you should consult an Independent Financial Advisor.

You can find a local Independent Financial Advisor by can visit their website at <http://www.unbiased.co.uk/>

## **Self-employment**

- Owner Driver is only open to registered self-employed individuals. If you are a current employee of Royal Mail or Parcelforce Worldwide, you will be required to formally resign from your employment, serve your notice period and register with the Inland Revenue as self-employed.
- The Inland Revenue leaflet – P/SE/1 ‘Thinking of working for yourself?’ provides information about how to go about starting your business and how you register as self-employed.
- You can register as self employed by:  
 Calling the Inland Revenue Helpline for the Newly Self Employed on 08459 15 45 15  
 Contacting your local Inland Revenue office

## **How do I pay my tax?**

- In the April after your business starts, the Inland Revenue will send you a self-assessment tax return to fill in (provided you have registered). The Inland Revenue will also use the return to assess any profit related (Class 4) National Insurance contributions you need to pay.

## **VAT registration**

- You don’t need to register for VAT until your turnover (total amount of money coming into your business from the services you sell) reaches a certain limit in any 12 months, or you expect to do so. The current VAT threshold is £79,000. However, if you do not register for VAT, you cannot recover VAT that you pay out on things like fuel, vehicle rental, clothing *etc.* VAT registration is relatively easy, but they require quarterly returns, and have the right to come and inspect your records at any time. There are a number of software programmes for PCs that help with record keeping, and details of these are contained in the Supplier Offers sheet, which is available from the depot management.

## **National Insurance**

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- Class 2 National Insurance contributions will be payable as soon as you start working as an Owner Driver (currently £2.70 per week for class 2). Class 4 National Insurance contributions are paid on profits and are currently 9%.

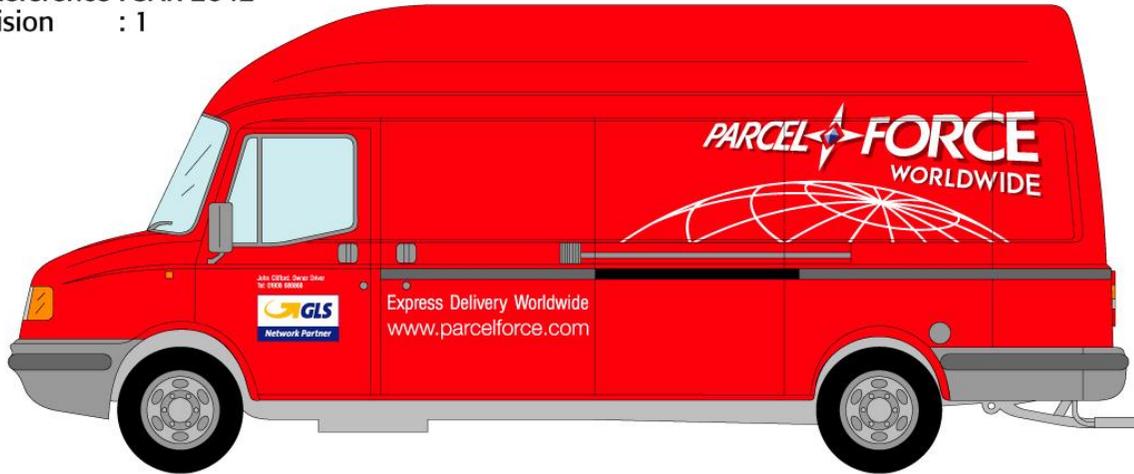
Your local business advisory service can explain the above in greater detail.

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# LDV Convoy XLWB High Roof

ID Reference : SAR 2042

Revision : 1



Prod. No.	Description	Position	Size	Qty/Set
45840	Parcelforce Worldwide & Globe	Sides	2172 x 716	2
45841	Express Delivery/Web Address	Sides	1033 x 226	2
45842	GLS Logo	Cab Doors	420 x 238	2
45844	Parcelforce Worldwide & Globe	Rear	915 x 302	1
45845	Express Delivery/Web Address	Rear	1154 x 244	1
45846	GLS Logo	Rear	281 x 159	1
45848	Parcelforce Worldwide	Front	1120 x 267	1
45847	www.parcelforce.com	Front	1140 x 111	1
45843	Black Stripe	Sides	1050 x 65	1
TBA	Text	Cab Doors	345 x 64	2
TBA	Text	Rear	345 x 64	1



SCALE (GUIDE ONLY)

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