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<b>Health and Safety Executive</b>		<b>Sector Information Minute</b>	
Commercial and Consumer Services, Transportation and Utilities Sector (CACTUS)		<b>SIM 05/2004/52</b> (formerly SIM 04/2004/12)	
<b>Cancellation Date</b>	10/05/2008	<b>Open Government Status</b>	Fully Open
<b>Version No &amp; Date</b>	1: 10/05/2004	<b>Author Unit/Section</b>	CACTUS

Target Audience:  
FOD Inspectors

## PARCEL CARRIERS - ENFORCEMENT ALLOCATION

The purpose of this SIM is to confirm the enforcement allocation between HSE and local authorities for premises being used by parcel carriers, as incorrect allocation is still occurring.

1. Decisions made at local level indicate there is still some confusion over allocation of premises used by parcel carriers. These inconsistencies have been raised with HSE by the industry. Under current administrative arrangements Standard Industrial Classification (SIC) 64120 - Couriers - as defined below is allocated to HSE.

SIC 64120 'Courier activities other than national post activities'

This class includes:

- pick-up, transport and delivery of letters and mail-type parcels and packages by firms other than national post. Either only one kind of transport or more than one mode of transport may be involved and the activity may be carried out with either self-owned (private) transport media or via public transport.

2. The collection and delivery of a parcel can involve transport ranging from a bicycle to a large trailer. The SIC therefore includes bicycle couriers who may only collect and deliver packages between office buildings in the same city. It also includes international companies operating large sorting hubs to move large numbers of parcels.

3. HSE has taken an interest in the parcel carriage industry, producing industry specific guidance together with various inspection initiatives. There is no agreed definition of what constitutes a 'parcel carrier'. The common perception of a parcel carrier involves the collection of a parcel from any address for delivery to a final destination. Given the great variety of parcels handled trying to define a parcel carrier by what is or is not a parcel is of little use. A delivery driver may have on his van some padded envelopes through to a large colour television. SIC 64120 whilst not ideal is the best definition for parcel carriers. The following criteria may be of help to inspectors who wish to identify parcel carriers to be included in any inspection project they plan to undertake.

(1) Parcels are not normally kept on the premises for more than two working days;

(2) There is a collection and delivery service involving mixed sized parcels normally from more than one consignor to more than one recipient;

(3) The premises are connected to a national system delivering outside the area of the depot such as by feeding into a national sorting hub;

4. Further confusion has also arisen between parcel carriers, logistic operations and warehousing. Some of the more common problems are detailed below.

5. Rather than have a national sorting hub a carrier may use local depots for sorting, connected by a fleet of trunking vehicles. Such a business is a parcel carrier, under SIC 64120.

6. A regional parcel carrier will sort parcels within their region using their depots and feed parcels for delivery outside their region into a national parcel carrier. They may also make deliveries within their region on behalf of the national parcel carrier. Such an independent regional parcel carrier is part of the national industry and should be inspected by HSE.

7. Companies operating as parcel carriers have developed a variety of niche markets which can take some of their activities out of the definition of SIC 64120. For example a logistics operation is more likely to fall within SIC 60249 Freight Transport. Problems can arise with companies, which provide both a logistics service as well as a normal parcel delivery service. The main business activity at the site should be used to decide on the most appropriate SIC.

8. Logistic companies may provide a call off system as well as their normal parcel operation. For example a chain of high street shops may keep very little spare stock in their shops. When an item is sold an automatic request is sent to the logistic company who will withdraw a replacement article from their warehouse and deliver it to the shop. This could involve a single delivery of several items each day or a bulk delivery once a week. As regards catalogue companies frequently sold goods may be kept at a local warehouse operated by the logistics company and called off for delivery as a parcel to a private address. This produces some allocation difficulties between HSE and the Local Authorities (LAs) as to whether the major activity is that of parcel delivery or warehousing. Inspectors will have to decide what is the major business activity of the premises. If the company's main activity is parcel delivery it may be appropriate to make a local arrangement for premises with both parcel delivery and warehousing activities to be inspected by HSE as we are likely to have national contacts with the company.

9. Some national companies have segregated logistics, parcel carriage and courier activities by using separate trading names or setting up subsidiary companies. Such divisions may be of assistance in deciding on an appropriate SIC.

10. Within the industry a variety of franchise arrangements exist. These may involve independent companies with a small number of employees. The amount of health and safety support provided to the franchisees will vary. However working practices and equipment are likely to be similar. Such franchisee come within SIC 64120 and should be inspected by HSE.

11. Some companies work with owner-drivers. The amount of health & safety influence exercised by the parcel carriage business over such self-employed persons will vary. The use of owner-drivers should not affect the allocation of parcel carrier's premises to HSE.

12. The fundamental root of many of these problems lies in the regulations on allocation because these are founded on the main activity of the premises, rather than the business purpose of the company concerned. There will be many cases where a cursory look can suggest that a courier's premises are simply warehouses, especially because often the big

bursts of activity take place out of normal daily working hours. There will be some cases where office work can appear the main activity. In either of these cases, the main activity may well be warehousing or office work. Discussion with the Enforcement Liaison Officer (ELO) may help resolve any confusion and help assess whether a local transfer under Reg. 5 of the Enforcing Authority Regulations is merited. In case of difficulties further advice over the main activity of a national company may be sought from the Utilities Section (Nottingham), CACTUS.

Date first issued: 10 May 2004

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