



Minimum and zero hours contracts and low-paid staff

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Viewpoint from IDR

Our survey of variable hours contracts and low pay attracted widespread interest at its launch: we received initial responses from more than 200 organisations, suggesting the topic is of significance to many employers in industries such as hotels and leisure, retail, and social care as well as parts of the manufacturing and public sectors. However, only around a fifth of these respondents made it past the preliminary screening questions, which were designed to eliminate employers that do not operate these contracts and/or do not pay such staff less than £10ph. We nevertheless managed to produce a sample of 40 employers, with a combined workforce of just over 460,000 people.

Our survey explored the use of two types of variable hours contract: zero hours and minimum hours. The first of which provides employees with no guarantee of hours in their contract (zero hours), while the second guarantees only a small number of hours in the contract (minimum hours). Within the sample, we found that far more employers use zero hours contracts than minimum hours contracts (80% and 33% of respondents respectively). However, minimum hours contracts cover more staff: minimum hours workers represent 29% of the total sample workforce (and 37% of the low-paid workforce), while zero hours workers account for just 15% of the total sample (and 24% of the low-paid workforce). This is likely for various reasons, including the fact that minimum hours contracts are commonly used by large retailers and that zero hours contracts are often used for discrete activities.

Employers' use of zero hours contracts appears to be for genuinely unpredictable and infrequent work. For example, they are often utilised for discrete activities and/or where it is recognised that there are likely to be peaks and troughs in demand (28% of respondents with zero hours contracts said they were largely used where demand is highly variable/difficult to predict, whereas no respondents said the same of minimum hours roles). The nature of such assignments ranged from erecting estate agent boards to summer activity instructors employed by a local authority.

Meanwhile minimum hours contracts appear to be used when fixed hours contracts might be equally suitable, which may indicate that employers are choosing to use minimum hours approaches because they are more advantageous for employers than employees because it means they can flex people's hours at very little notice. For employers, providing workers with

only a minimum guarantee of working hours (from as little as one hour a week at one hospitality firm in our sample) establishes a contractual relationship which the survey shows gives employees less freedom to turn down work or to request an alternative working pattern. The survey also indicates that while minimum hours contracts provide a minimum guaranteed number of hours for work, workers regularly work more hours than stated in their contract.

Managing fluctuations in demand is a key consideration for employers and 88% (35) said that this drove staff/shift scheduling decisions and was often the only consideration. Employee choice does feature as a consideration at 60% (23) but very few (8% or just 3 organisations) consider this alone. More than one employer told us that from their perspective a key reason for operating variable hours contracts was to facilitate flexible working for staff. For example, a retailer said that some staff worked additional hours to enable their colleagues to attend to family commitments, such as the first day of school, while seasonal or ad hoc jobs may be attractive to workers such as students who cannot necessarily commit to fixed working hours on a long-term basis.

One respondent suggested that the introduction of a higher rate for non-contracted hours, as suggested in the [Taylor Review of Modern Working Practices](#), might therefore have a detrimental effect on work-life balance for some employees if it disincentivised employers from offering flexible hours in this way. However, the survey shows that managing demand is the main consideration when it comes to the use of variable hours contracts, regardless of employers' views in respect of employee choice.

Media reports indicate significant growth in the use of variable hours contracts. However, on the whole our survey indicates little or no change in the use of variable hours contracts: while three respondents have implemented or increased their use of such working practices over the past two to three years, four respondents told us that they had reduced their use. The necessary caveat here, though, is the small size of the sample.

In analysing the survey findings and talking to respondents it became clear that some did not want to term their working arrangements 'minimum or zero hours', instead insisting that they employ staff on 'flexible' contracts. In addition, a number of employers, including two large retailers who we profile in short case studies, do not perceive themselves as offering variable hours contracts but in practice make extensive use of 'overtime' (paid at plain time up to full-

time weekly hours) for workers on minimum hours contracts or what one respondent defines as 'additional hours', especially for part-time staff. These 'additional hours' are technically optional but, as one employer told us, an awareness of the precarious nature of the retail industry and peer pressure within teams can make some workers think twice before declining any overtime offered.

Executive summary

This report is based on research by Incomes Data Research conducted on behalf of the Low Pay Commission (LPC) between July and September 2018. It focuses on the practice of employers that operate either minimum hours contracts or zero hours contracts¹. Indeed, the survey filtered out employers that do **not** operate such approaches. Nevertheless, it includes information from 40 employers across the UK with a combined workforce of just over 460,000 people.

Employers covered by the research range from small firms to the largest retailers, although larger employers predominate, and the median headcount is 4,776 across all our survey participants. Respondents operate in both traditional and other low-paying sectors, such as manufacturing and local government, and all employ low-paid staff on zero hours or minimum hours contracts.

The key findings from our research are as follows:

- Many more employers in the sample use zero hours contracts than minimum hours contracts. The former are used by 80% of survey respondents while just a third of survey respondents (33%) said they employ lower-paid staff on minimum hours contracts²
- Those using zero hours contracts are mainly in the hotels, restaurants, arts and leisure sectors, while those using minimum hours approaches are mainly retailers.
- Minimum hours contracts are more often used by the largest employers in our sample, while use of zero hours contracts is more evenly spread.
- The most common types of roles carried out by staff on minimum and zero hours contracts are retail assistants, waiting/restaurant staff, administration staff, leisure assistants, cleaners and support staff.
- 70% (26) of employers in our sample do not provide a choice regarding the type of contract on which staff are employed.

¹ The survey explored the use of two types of variable hours contract: 'zero hours' and 'minimum hours'. The first of which provides employees with no guarantee of hours in their contract (zero hours), while the second guarantees only a small number of hours in the contract (minimum hours).

² There appears to be some variation when it comes to employers' understanding of the term 'minimum hours contract', with some employers, especially those in the retail sector, offering what they regard as flexible part-time contracts with regular overtime on top.

- On average 29% of all staff (and 37% of low-paid staff) are employed on minimum hours contracts, while 15% of all staff (and 24% of low-paid staff) are on zero hours contracts on average.
- One-in-six respondents (16%) reserve certain work specifically for low-paid staff on variable hours contracts. Staff on fixed hours contracts do not undertake these tasks.
- Employers' responses suggest that actual working hours for staff on zero hours contracts vary more than for those on minimum hours contracts and that minimum hours contracts are more likely to fluctuate on a seasonal rather than weekly basis.
- Some 28% of respondents with staff on zero hours contracts regarded demand for such hours as highly variable and difficult to predict, while none of the respondents with staff on minimum hours contracts regarded this as the case.
- The use of technology to schedule shifts is only a feature among the largest retailers and hospitality firms in our sample (30% of all respondents). Other firms expect managers to make these decisions without any technological assistance.
- Responding to fluctuations in demand (including seasonal variations) is the main driver for the use of zero hours or minimum hours patterns, with 93% (37) of respondents reporting this to be a consideration.
- According to employers, employee choice also plays a role, though rarely on its own, and typically it is a secondary factor behind fluctuations in demand.
- Most employers in our sample do not specify a minimum shift length; those that do tend to specify between four and five hours, ie much shorter shifts than for 'normal' working.
- Advance notice of shift rotas varies considerably, from less than 12 hours to more than a month.
- Staff on zero hours contracts have more flexibility than those on minimum hours contracts to turn down work or request an alternative shift pattern. This is presumably due to the nature of the employee-employer relationship, with no formal contractual agreement in place in cases of zero hours.
- Just five (13%) employers told us that they never cancel shifts.
- When employers cancel shifts most generally provide at least 24 hours' notice.
- Overall 40% of respondents (16) state that staff on variable hours contracts receive some form of compensation when shifts are cancelled. The rest provide no compensation.
- Staff are most commonly offered an alternative shift/period of work (30% or 12 employers). Just four employers (10%) report that staff paid for the cancelled shift/period of work.

- The median minimum adult pay rate across the sample is £7.84, just 1p above the current statutory level, and the most common rate is exactly at the statutory level. The average is slightly higher at £8.08.
- Adult minimum pay rates are lowest at firms in our sample with larger concentrations of low-paid workers.
- The overall average proportion of staff on the lowest rate at each organisation is 51%, although the proportion varies significantly by sector.

1 Introduction

1.1 About the research

Our objective for this research stems directly from the [Taylor Review of Modern Working Practices](#), which considered how employment practices need to change to keep pace with modern business models. The review explored a range of issues, including the use of what we refer to in this research as *variable hours* contracts which covers working arrangements where the number of hours an individual works can go up or down depending upon demand for their labour. In some instances employees are provided with a guaranteed minimum number of paid hours of work each week (termed minimum hours contracts throughout this report), while in others employees are provided with no guarantee of any paid work (termed zero hours throughout this report).

The Taylor Review suggested that some of the flexibility around such contracts is one-sided in favour of employers, with labour market figures indicating a growth in the number of workers wanting to work more hours (or under-employment). Alongside this, anecdotal evidence suggests that many such workers regularly work over and above their contracted hours. The Taylor Review put forward a recommendation for the Low Pay Commission (LPC) to consider a higher minimum rate for non-contracted hours. Our research explores variations in working time for low-paid workers on non-standard contracts - specifically zero hours and minimum hours.

1.2 Profile of participants

The findings are drawn from survey responses from 40 employers across the UK with a combined workforce of 461,282 people. The smallest company in our sample is a respondent from the hotels, restaurants, arts and leisure sector, employing just 30 people, while we also received response from several large retailers, one of which has more than 73,000 staff. In practice, larger employers predominate and companies with 1,000 staff or more account for three-quarters (75%) of the sample. The median headcount is 4,776 across all our survey participants.

Overall, organisations in the survey pay just over half of their workforce (54%) £10 or less an hour – a much higher proportion than across the whole economy since the survey specifically targeted employers with low-paid staff. The proportion of staff paid £10 or less an hour ranges

from 28% of the workforce on average at organisations in the public sector to 80% of workforces on average at organisations in the retail and wholesale sector.

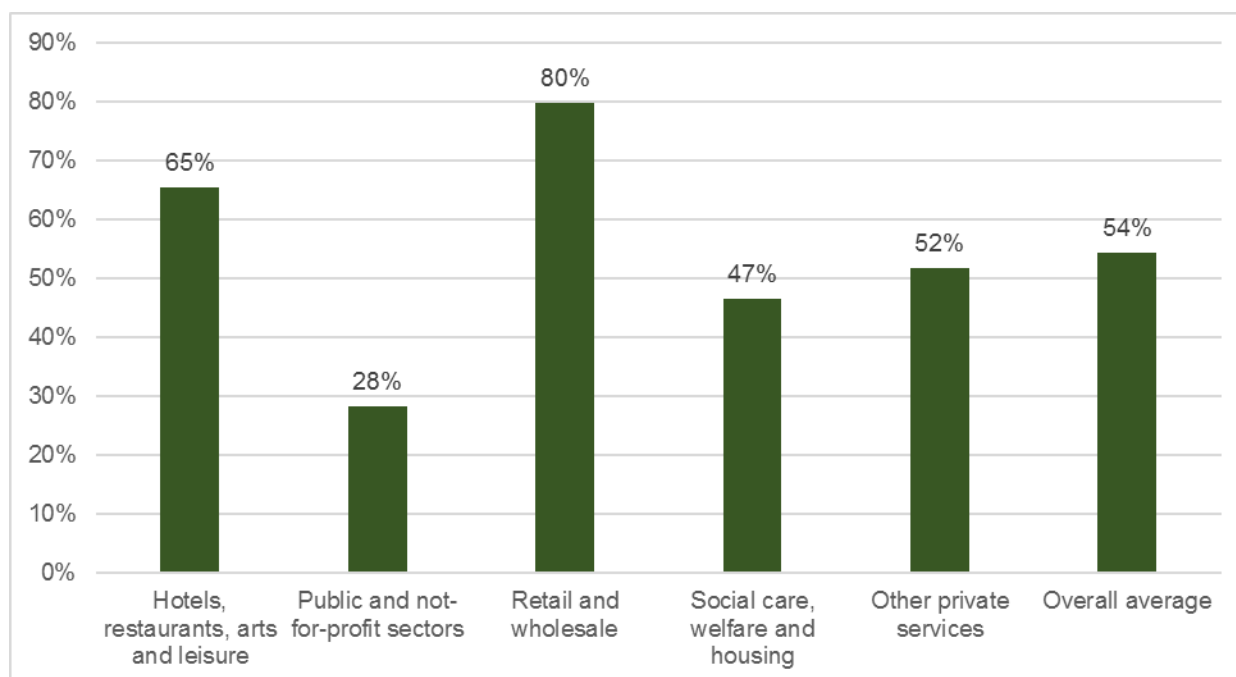
Table 1 Profile of respondents by sector

Sector	Count
Hotels, restaurants, arts and leisure	10
Public sector and not-for-profit	11
Retail and wholesale	8
Social care, welfare and housing	4
Other private sector	7
Total	40

Table 2 Profile of respondents by organisation size (headcount)

Sector	Count
Less than 50 staff	1
51 to 250 staff	4
251 to 500 staff	2
500 to 999 staff	3
1,000 staff and more	30

Figure 1 Average proportion of staff paid £10 or less an hour by sector



2 Contracts and working hours

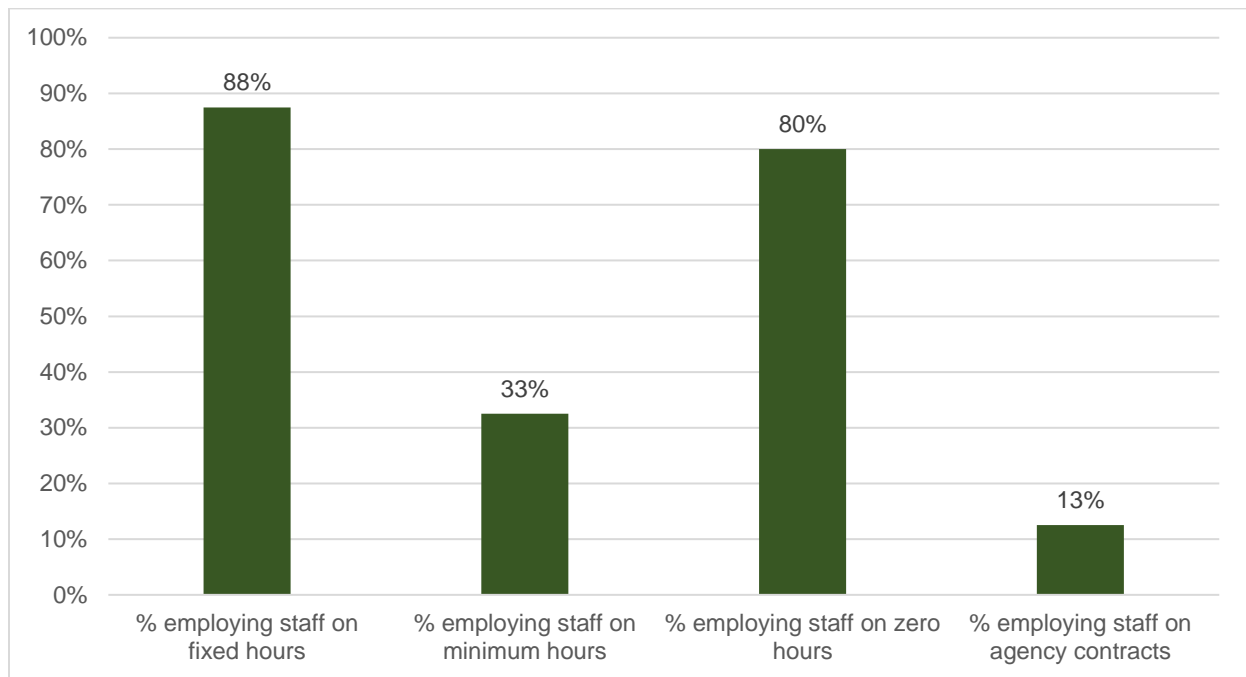
The survey asked employers about the types of employment contract operated for low-paid staff earning £10 an hour or less, including variable contracts with no fixed hours ('zero hours contracts') and variable contracts that specify a minimum number of hours ('minimum hours contracts'). It also asked about the types of roles that are carried out by those on zero or minimum hours contracts, the number of staff covered and typical working hours.

2.1 Types of contracts for staff paid £10 or less an hour

Fixed-hours contracts are the most common types of contracts for low-paid staff paid £10 or less an hour to be employed on (88% of survey respondents use these types of contracts). However, zero hours contracts are used by 80% of survey respondents to employ lower-paid staff. A third of survey respondents (33%) said they employ lower-paid staff on minimum hours contracts however according to answers to other questions in the IDR survey, it appears that the terms 'zero hours' and 'minimum hours contract' are not used consistently.

For example, a restaurant firm reported that it does not operate zero hours contracts but when questioned further about their arrangements it told us, *'We don't class our contracts as zero hour. We have variable hours contacts – but we do give 'zero' hours if we are quiet.'* In another case a large retailer responding to the survey said, *'Our low paid staff are in our basic operational roles - most of them are Shop Assistants or Shop Floor Team Leaders. All our contracts are fixed hours although overtime is offered on a regular basis'*. This organisation indicated that nearly three-quarters (73%) of its 46,000 lower-paid staff are employed on fixed hours contracts and that they do not use minimum hours or zero hours contracts. In reality, the company probably uses fixed minimum hours contracts meaning that they do not offer full-time contracts to their lower-paid staff.

Figure 2 Prevalence of contract types for low-paid staff

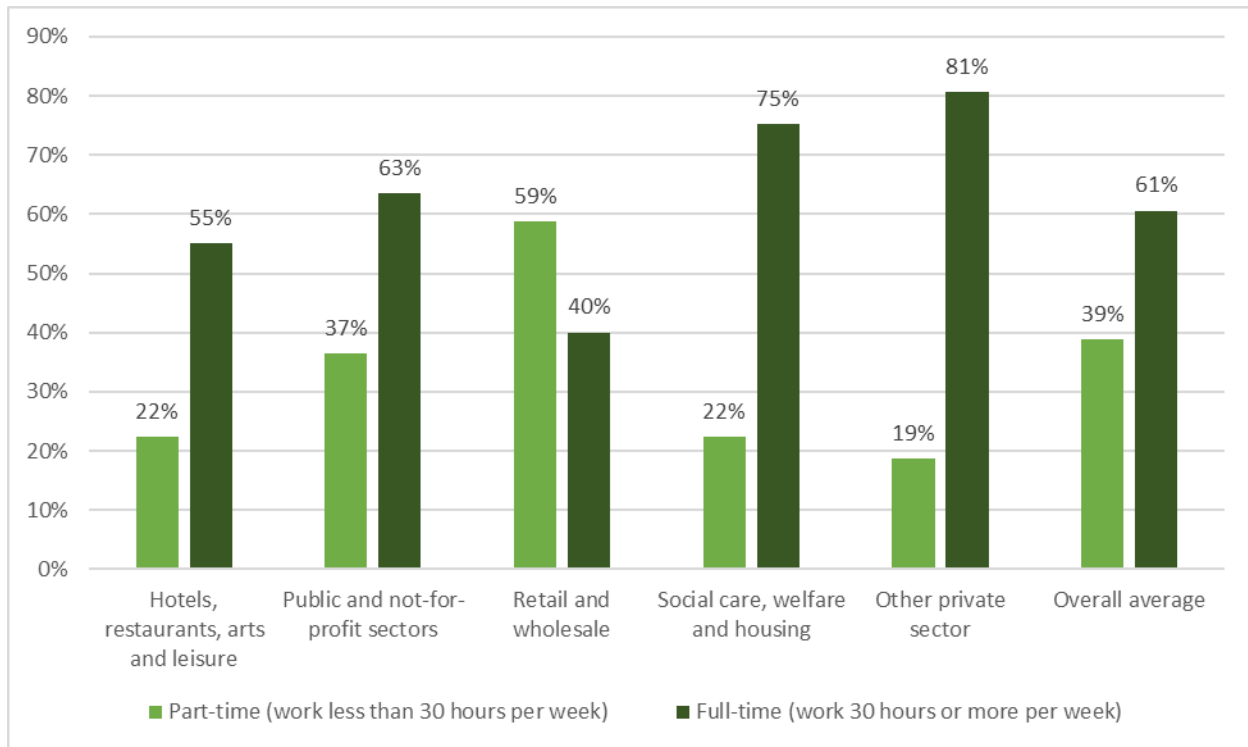


2.2 Larger part-time workforces found in traditional low-paying sectors

According to the survey results, the more traditional low-paid sectors such as hotels, restaurants and leisure and retail are likely to have a large proportion of their workforce on part-time contracts. The retail and wholesale sector employ a greater proportion of part-time staff (59% on average), compared with 40% of staff employed on a full-time basis.

In the hotels, restaurants, arts and leisure sector, where 67% of staff on average are paid £10 or less an hour according to the IDR survey, 45% of staff are employed part-time, compared with 55% of staff employed on a full-time basis. Looking at the overall average proportion of part-time and full-time workers across all sectors represented in the survey, the average proportion of part-time staff is 39% and the average proportion of full-time staff is 61%.

Figure 3 Proportion of staff employed on a part-time or full-time basis



2.3 Minimum hours and zero hours contracts

The survey results show that organisations are more likely to use zero hours contracts than minimum hours contracts, while minimum hours contracts tend to cover more staff. Overall 80% of our sample report operating zero hours contracts, compared to 33% that operate minimum hours contracts.

Retail and hotels, restaurants and leisure are the only two sectors where minimum hours contracts appear to be significantly used with 50% of retail organisations and 40% of hotels, restaurants and leisure organisations in the survey using these contracts. Although even in these sectors zero hours contracts are still more prevalent with 63% of retail organisations and 70% of respondents from the hotels, restaurants and leisure sector using them to employ their low-paid staff. Both of these sectors employ relatively large proportions of part-time staff.

Meanwhile, in sectors where part-time staff make up a much smaller proportion of the workforce, such as social care, welfare and housing and other parts of the private sector (which includes IT and manufacturing), firms are less likely to employ staff on minimum hours contracts (25%

and 29% of their low-paid staff respectively) but have a high incidence of employing these staff on zero hours contracts (75% and 86% of low-paid staff respectively).

Figure 4 Prevalence of contract types for low-paid workers (earning £10 or less an hour)

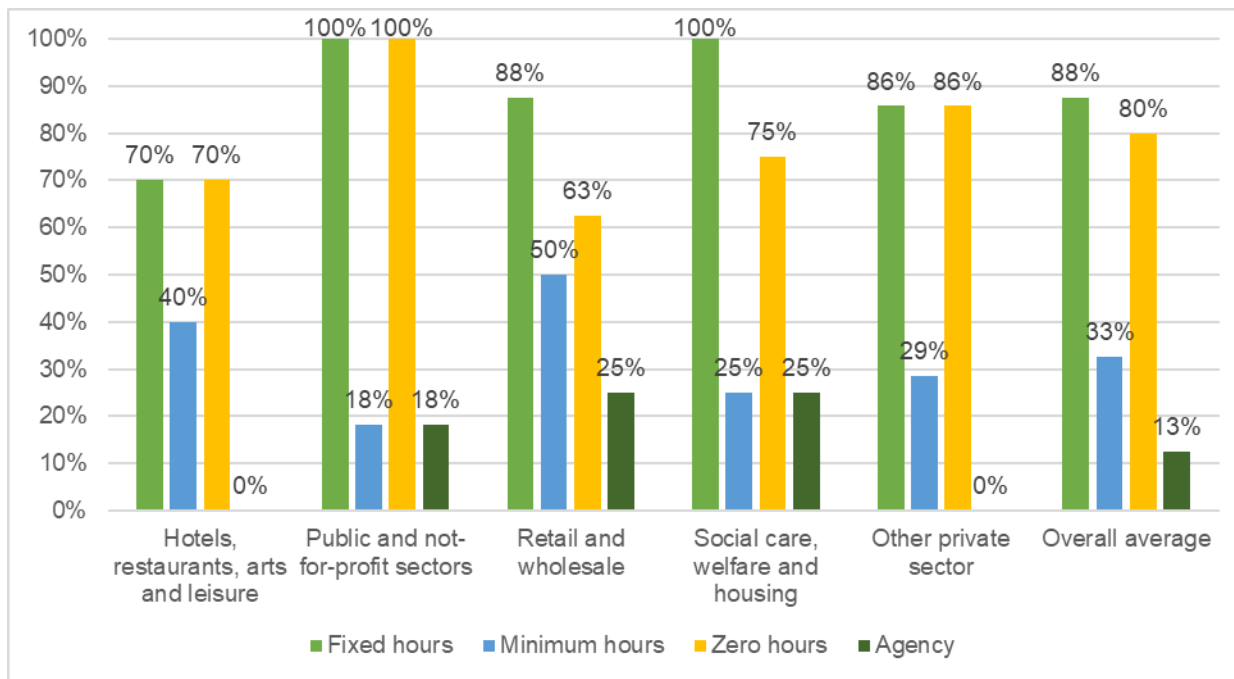


Table 3 Proportion of employers with staff on minimum and zero hours contracts by company size

	% with staff on minimum hours		% with staff on zero hours	
	Count	%	Count	%
Less than 50 staff	0	0%	1	3%
51 to 250	1	8%	3	9%
251 to 500 staff	0	0%	2	6%
500 to 999 staff	1	8%	3	9%
1,000 staff and more	11	85%	23	72%
Count	13	100%	32	100%

According to the survey respondents, staff employed on minimum hours contracts represent 29% of the whole survey sample workforce and 37% of the low-paid workforce. Meanwhile workers employed on zero hours contracts represent 15% of the whole survey sample workforce and 24% of the low-paid workforce. The hotels, restaurants, arts and leisure sector have the greatest proportion of low-paid workers employed on zero hours contracts (68% on average) and almost half the wider workforce (48%) are employed on a zero-hours basis at organisations in this sector. While minimum hours contracts are more likely to cover a greater proportion of the low-paid workforce at retail organisations compared to organisations in other sectors.

According to our survey respondents, four-fifths of staff employed at retailers in the survey sample are employed on minimum hours contracts (80%) and 95% of low-paid staff.

Table 4 Average proportion of all staff and low-paid staff on minimum hours and zero hours contracts

	Minimum hours contracts		Zero hours ontracts	
	% of all staff	% of low-paid staff	% of all staff	% of low-paid staff
Hotels, restaurants, arts and leisure	7%	13%	48%	68%
Retail and wholesale	80%	95%	1%	1%
Public and not-for-profit	2%	5%	6%	18%
Social care, welfare and housing	3%	60%	9%	16%
Other private sector	13%	18%	9%	14%
Whole sample	24%	37%	15%	24%

Table 5 Proportion of staff on zero hour and minimum hour contracts

	% of staff on zero hours	% of staff on minimum hours
Lower quartile	4%	8%
Median	14%	22%
Average	24%	37%
Upper quartile	34%	60%
Count	27	9

2.4 Workers on flexible contracts

The most common type of work carried out by staff on variable hours contracts in low-paid roles are as retail assistants, waiting/restaurant staff, administration, leisure assistants, cleaning and support work. Most of these roles, aside from administration and cleaning which are used across all sectors, are found in the traditional low-paid sectors such as hotels, restaurants and leisure and retail. According to the survey results from both of these sectors, it is likely that retail assistants, waiting/restaurant staff and leisure assistants are employed on both zero hours contracts and minimum hours contracts.

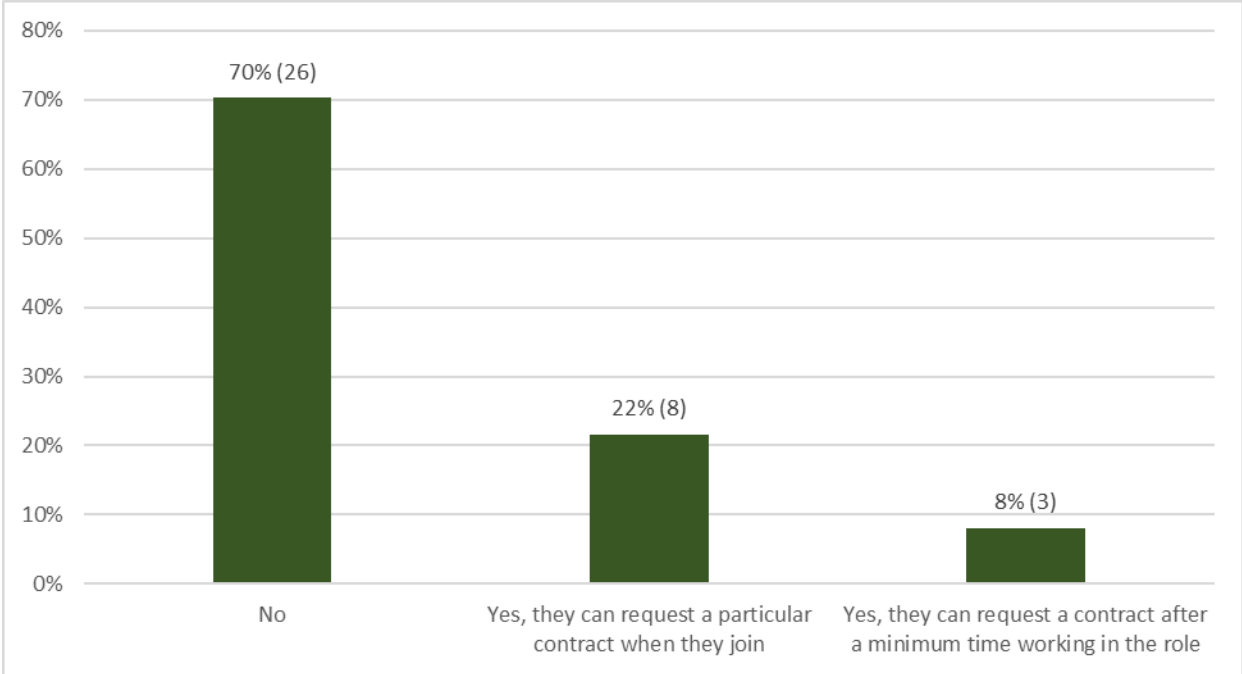
The survey asked if the type of work carried out by low-paid staff on variable hours contracts is only reserved for staff on variable hours contracts or if staff on fixed hours contracts also undertake it. The survey results show that these types of roles are overwhelmingly covered by staff on both variable hours and fixed hours contracts (84% of respondents). However, one-in-six respondents (16%) said that types of work carried out by low-paid staff are covered by staff

on variable hours contracts only. For example, one restaurant reported 80% of the 8,000-strong workforce are paid £10 or less an hour, said that all their team member roles are employed on variable hours contracts with these stating ‘a number of hours and that they may vary up and down depending on business needs’.

2.5 Employee choice over contract

The majority of employers in our sample do not provide a choice regarding the type of contract on which minimum and zero hours staff are employed, while the small number that do mostly state employees can choose when they join the organisation. A few employers have a qualifying period, after which workers on a minimum and zero hours contract can request a different contract.

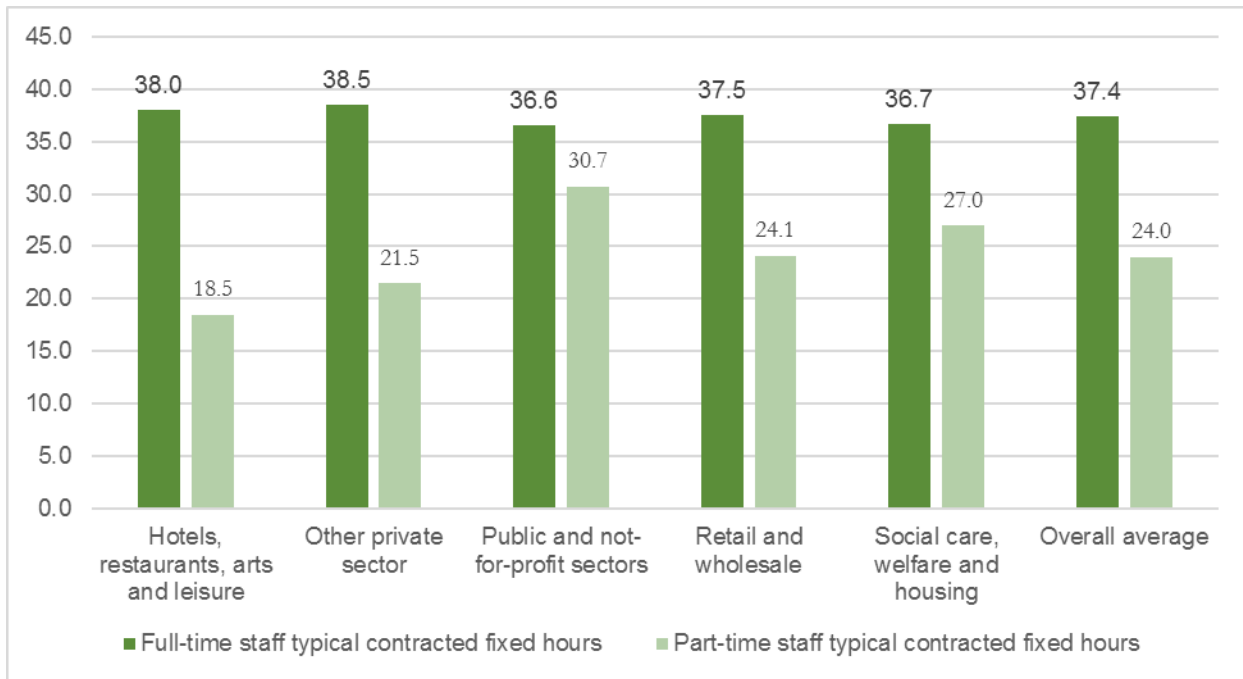
Figure 5 Employers’ responses to whether variable hours workers are given a choice regarding the type of contract



2.6 Working hours on fixed-hours contracts

According to the survey results, full-time staff on fixed-hours contracts work on average 37.4 hours a week and part-time staff have average contracted hours of 24 a week. The hotels, restaurants, arts and leisure sector operate among the longest full-time working week at 38 hours and the shortest average contracted working weeks for part-time staff at 18.5 hours.

Figure 6 Typical contracted hours for full-time and part-time hours on fixed-hours contracts



In respect of the range of typical part-time hours worked a week for staff on fixed-hours contracts, the retail and wholesale sector has the widest range of typical average hours worked at between 2.3 hours at the minimum to 35.9 at the maximum. Meanwhile the hotels, restaurants, arts and leisure sector has the narrowest range between average minimum and maximum typical weekly hours for part-time staff.

Figure 7 Average typical range of minimum and maximum part-time hours for fixed-hours contracts



2.7 Working hours on zero and minimum hours contracts

Typical weekly hours on minimum hours contracts are generally in line with typical or actual hours for part-time staff employed on fixed-hours contracts on average. Typical average hours on minimum hours contracts are 22.6 hours on average, while average actual hours on part-time contracts are 24 hours and average actual hours are 20.1 hours a week. However average maximum hours worked on minimum hours contracts are higher than the average typical contracted hours for full-time staff on fixed hours contracts (41.4 hours compared to 37.4 hours).

Table 6 Minimum hours contracts - typical average and range of weekly hours

	Count	Average typical hours a week	Lowest number of hours a week	Highest number of hours a week
Hotels, restaurants, arts and leisure	2	-	2.1	51.5
Retail and wholesale	2	14.6	2.5	37.0
Other private sector	2	28.0	24.0	50.0
Overall average	7	22.3	8.9	41.4

Zero hours contracts are most widely used by hotels, restaurants, and leisure organisations and over half of all staff (52%) at organisations in this sector and 92.9% of low-paid staff using the median are employed on these types of contracts. The typical weekly hours worked on zero

hours contracts is highest in the hotels, restaurants sector at 25.5 on average. This is higher than the 18.5 typical weekly hours that part-time staff on fixed-hours contracts work on average in this sector. Typical weekly working hours are lower on average for staff on zero hours contracts (17.2 hours) compared to those working on minimum hours contracts (22.6 hours on average). The minimum number of hours available are also lower on average for those working on zero hours contracts at 3.3 hours, compared to 8.9 hours for those on minimum hours contracts.

Table 7 Zero hours contracts - typical average and range of weekly hours

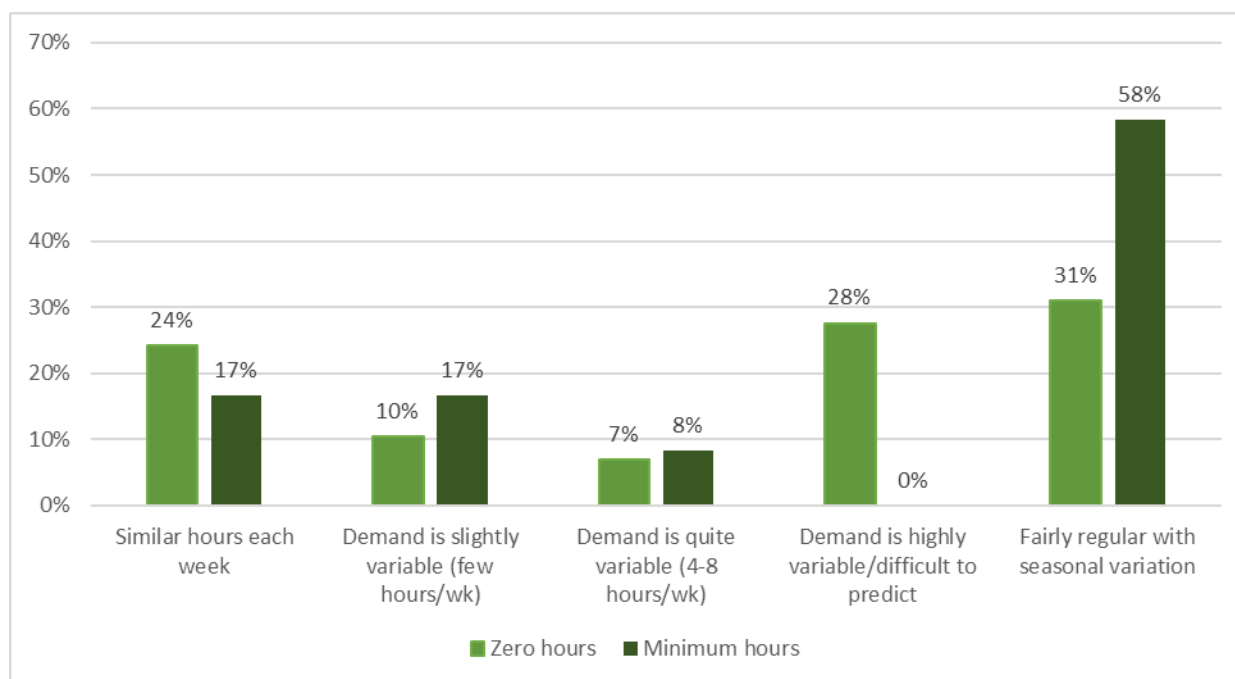
	Count	Average typical hours a week	Lowest number of hours a week	Highest number of hours a week
Hotels, restaurants, arts and leisure	4	25.5	7.0	47.7
Public and not-for-profit sectors	6	10.1	1.3	33.1
Retail and wholesale	2	12.0	1.5	22.5
Other private sector	4	20.4	1.5	40.4
Overall average	15	17.2	3.3	38.4

2.8 Variability in hours for minimum and zero hours staff

Our analysis shows that weekly hours vary more for staff on zero hours than they do for staff in minimum hours contracts. Overall no respondents reported that demand for minimum hours contracts work is highly variable and difficult to predict, compared with 28% of those with zero hours staff. Employers with minimum hours contracts workers are more likely to state that hours vary on a seasonal rather than weekly basis.

Our analysis of weekly hours in the proceeding section also shows a wider range of hours for zero hours workers compared to minimum hours workers and overall generally longer typical weekly hours for staff on minimum hours contracts than for those on zero hours.

Figure 8 Variability in weekly working hours for low-paid staff on zero and minimum hours contracts



2.9 Recent changes

Employers were asked if they had made any significant changes in their organisation's use of minimum hours or zero hours contracts and/or temporary employment arrangements and overall eight respondents said there has been a significant change. Some have increased their use of 'flexible' contracts, while others have moved away from using minimum hours or zero hours arrangements.

Table 8 Employer reported changes in use of minimum or zero hours contracts in the last 2-3 years

Employer reported changes	Direction of change
Use dropped by about a third.	Reduced ↓
Use increased due to the opening of a shop and the need for flexibility for extra staff cover	Increased ↑
We introduced minimum hour contracts across 2017, prior to this we only offered [zero hour] flexible contracts	Neutral =
Increase in use of minimum hour contracts to help rostering versus demand	Increased ↑
Using this type of arrangement less	Reduced ↓
Moved to using casual/relief staff on an ad hoc basis to cover short notice sickness cover to ensure statutory minimum staffing numbers are maintained	Increased ↑
Actively made the decision to move away from zero hour contracts	Reduced ↓
More types of reliable [fixed] hours contracts available	Reduced ↓

Box 1 Case study A – Large food retailer

Large retailer A

The stores operated by this large retailer encompass a wide range of sizes and trading patterns. For example, branches in areas consisting predominantly of offices are closed on weekends and bank holidays, whereas some outlets operate seven days a week and may have to call on employees from nearby branches to cover busy periods. As such, there is no standard contract pattern for its thousands of customer assistants, who can be on contracts of anything up to 37.5 hours per week.

Customer assistants receive a contract setting out their job title, weekly contracted working hours and pay rate (well in excess of the National Living Wage). Each customer assistant has a standard rota pattern (70% of frontline employees change their standard rota pattern each year) and the retailer's rota works on a two-week basis so that the majority of employees receive every other weekend off. However, many customer assistants, including those on full-time contracts of 37.5 hours per week, frequently work what the retailer describes as 'additional hours' on top of their contractual hours. They are paid for time worked and receive premium rates for any overtime worked above 45 hours. Additional hours account for more than 10% of the company's wage bill.

The retailer uses voluntary additional hours to cover peaks in activity caused by changes in customer habits that necessitate a rapid response on the sales floor. For example, this summer's heatwave has led to an increase in sales of hot weather food e.g. pre-prepared salads. The company also rescheduled staff rotas at short notice to prepare for peaks and troughs in food and drink sales around England's matches in this summer's football World Cup. Managers sought volunteers to move their working hours from quieter post-match periods to the morning and afternoons of match days.

The company says its voluntary additional hours regime enables it to respond to peaks in demand at very short notice, including on the day: managers raise any such staffing needs in the morning team briefing meeting and customer assistants largely agree how to resolve these between themselves such as through shift swaps. In practice, the retailer finds that employees are generally willing to take on additional hours to support colleagues and so that their store performs well.

The retailer also argues that additional hours are key in facilitating a healthy work-life balance for employees. 'We have policies that guarantee colleagues to take unpaid time off for their child's first day of school, for example' the Reward Manager explains. 'Currently, so long as a colleague in a rota-pattern job can find another similarly skilled colleague to replace their hours, we are able to be very flexible about colleagues swapping their hours or reducing them in the short term. We find we get flexibility from employees because we offer it back.'

In addition, the retailer runs a quarterly employee engagement survey and says the scores relating to work-life balance suggest that employees are comfortable with their working patterns and value the flexibility that is provided.

However, the retailer is concerned about the potential consequences of a statutory higher pay rate for non-contractual hours, which could result in its wage bill increasing to the extent that it might have to reconsider the use of additional hours, with a knock-on effect on the flexibility it currently offers to employees. 'Should legislation be

introduced which meant that additional hours cost more than contractual hours, we would have to consider reducing the number of additional hours we offer as well as removing some of the flexible policies we currently operate,' the Reward Manager explains. 'Not only would this have a financial impact on the company, but it would also be unpopular with employees as reduced flexibility would be detrimental to their work-life balance and job satisfaction. This is something we believe policymakers need to consider very carefully'.

Box 2 Case study B – Large non-food retailer

Large retailer B

This retailer employs over 60,000 staff at more than 2,500 sites across the UK. It only uses fixed-hours contracts, which range from eight to 39 hours a week, with a handful of staff still on older contracts of four hours a week. Most lower-paid staff work part-time, with 56% on contracts of less than 30 hours a week.

Although all employees are on fixed-hours contracts, in practice around 60% of staff work some overtime (usually a small amount of up to five hours) in any given week. Overtime is more prevalent among part-time staff both because there are more of them and because, on paper, they have more scope to increase their hours (the company never asks any employee to work more than 45 hours a week and an enhanced overtime rate of T+1/2 is paid for any time worked above 39 hours). Overtime arises for various reasons including fluctuation in demand, unexpected absence, store 'lifecycle events' such as new openings, and seasonal variation at Christmas and during other school holidays.

The retailer closely monitors its scheduling system to determine the optimum amount of hours needed to run a store. Higher overtime payments than usual can indicate a need to increase contracted hours. Where part-time workers are found to be working consistent overtime, they are 'very frequently' offered a change to their contracted hours. As the retailer's reward consultant observes: 'business realities mean we sometimes have to offer overtime first but we would look to formalise this permanently.'

The reward consultant adds that the retailer seeks to offer 'meaningful' contracts and it would therefore never consider implementing zero hours or minimum hours contracts. Nor would it pay a premium for non-contracted hours (with the exception of the overtime premium paid for 39+ hours) as it would not want to incentivise such working arrangements over having the right contractual hours in the first place.

Box 3 Case study C – large leisure firm

Large leisure firm

This leisure firm employs around 7,000 staff at 700 sites across the UK. Just over half of staff (55%) are low-paid, earning £10 or less an hour and these are concentrated in retail and customer service roles.

Low-paid workers are employed on both fixed and minimum hours contracts (termed 'flexible contracts' internally) and staff on minimum hours contracts account for 13% of the low-paid workforce and 7% overall. Staff on fixed and flexible hours work alongside each other in the same role(s) and in recent years the company has increased its use of flexible contracts in order to help source staffing during peak periods.

The number of hours guaranteed under minimum hours contracts varies, but the majority are on 30-hour flexible contracts. The shortest flexible contract is usually for 15 hours a week. Flexible contract workers' hours are fairly regular week to week but vary seasonally, for example from January to the end of March and during the summer. Outside of peak periods staff generally work broadly similar hours each week and at the volume at which they are contracted.

Staff on flexible contracts cannot reject the working pattern offered or request an alternative. However, if staff cannot work specific shifts their line manager will try and accommodate changes where possible. Employees are also able to swap with one another at the line manager's discretion and shift swapping approvals are granted on a case-by-case basis.

There are no premium payments for hours worked beyond contracted hours, overtime or short notice shifts, nor for unsocial hours working. The company does however operate a system of flexitime to smooth out fluctuations in earnings over a longer period of time.

Box 4 Case study D – community-based housing association

Community-based housing association

This social housing organisation employs 203 staff across six sites in Scotland. The organisation employs most staff on a full-time basis and the majority are aged over 25. Around 5% of staff are low-paid and earning £10 an hour or less.

The organisation currently employs six staff on minimum hours contracts, which represents 3% of the workforce overall with four of those paid £10 an hour or less. Minimum hours workers are employed as youth workers and their working pattern varies with school term dates. Staff are contracted for between six and 14 hours a week, although generally for six hours, and staff typically work their contracted hours term time but full-time during school holidays.

Youth workers assist running youth clubs which run for fewer hours term time than during the school holidays when full days are offered (except at Christmas). Most youth workers are students studying youth work or community development and since they also have greater availability during the holidays they typically choose to work 35 hours a week running the clubs.

The association operates a system of annual hours in order to smooth out fluctuations in earnings for youth workers. The HR Manager explained that this approach 'helps youth workers manage their budgets'. They are paid the same amount each month, calculated as 11 weeks at 35 hours a week and 41 weeks at their minimum contracted hours which is typically 10 hours a week (in other words $(11 \times 35 \text{ hours a week} + 41 \times 10 \text{ hours a week divided by } 12)$).

3 Scheduling work

In this section we present employers' responses on assigning work to staff on minimum or zero hours contracts, as well as the process for cancelling shifts.

3.1 Scheduling shifts

Overall 12 employers report using specialist IT software to inform decisions on the scheduling/rotas of low-paid staff on minimum hours and zero hours contracts. These are all large employers and mostly from the hotel, restaurants, arts and leisure ('hospitality' from here onwards) and retail sectors.

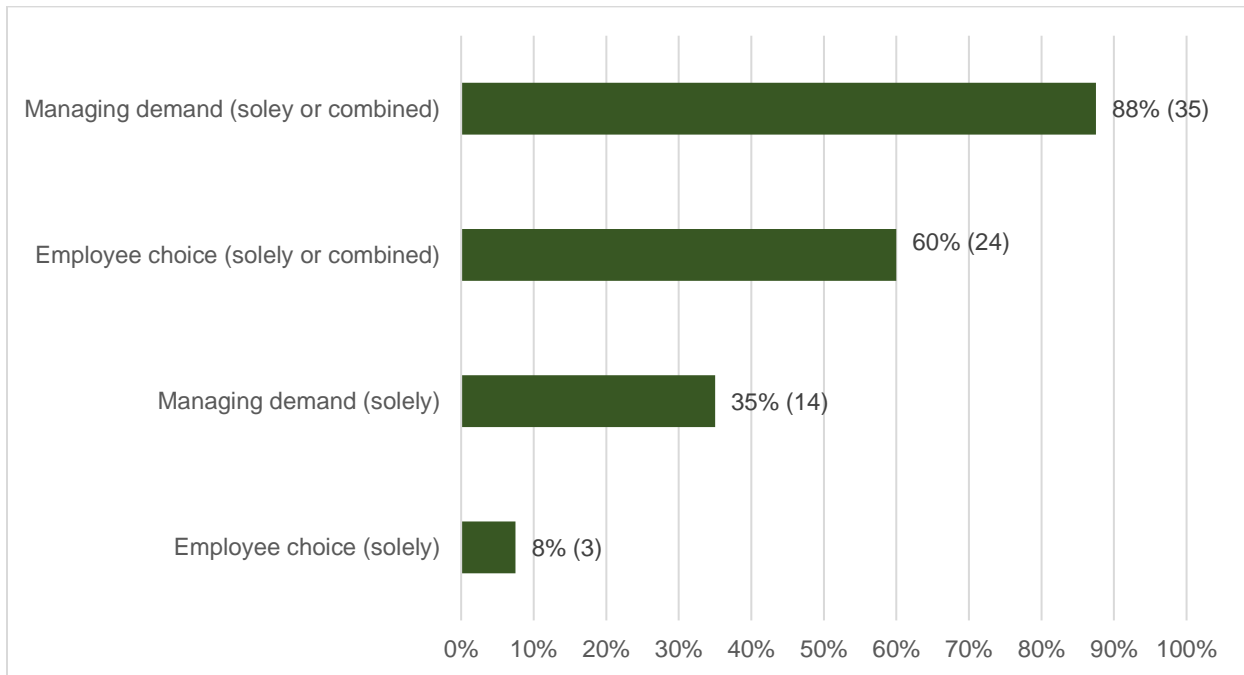
Table 9 Use of technology for scheduling shifts for low-paid workers on minimum and/or zero hours

Response	Count
No	28
Yes - we have non-app-based scheduling software	11
Yes - we have a smartphone app that staff use to provide availability, select shifts etc	1

Managing fluctuations in demand is reported as the main driver for the scheduling of shifts/working patterns for employers, with 88% (35) of respondents reporting this to be a consideration. Just over a third report that managing demand is the only driver of scheduling. Employee choice also plays a role, though rarely on its own, and typically it is a secondary factor alongside fluctuations in demand.

Just one employer told us that shifts are randomly assigned, but in this case random allocation occurs alongside considerations around demand and employee availability. One employer reported to take skills into consideration when assigning shifts, again this was alongside considerations around demand and employee availability.

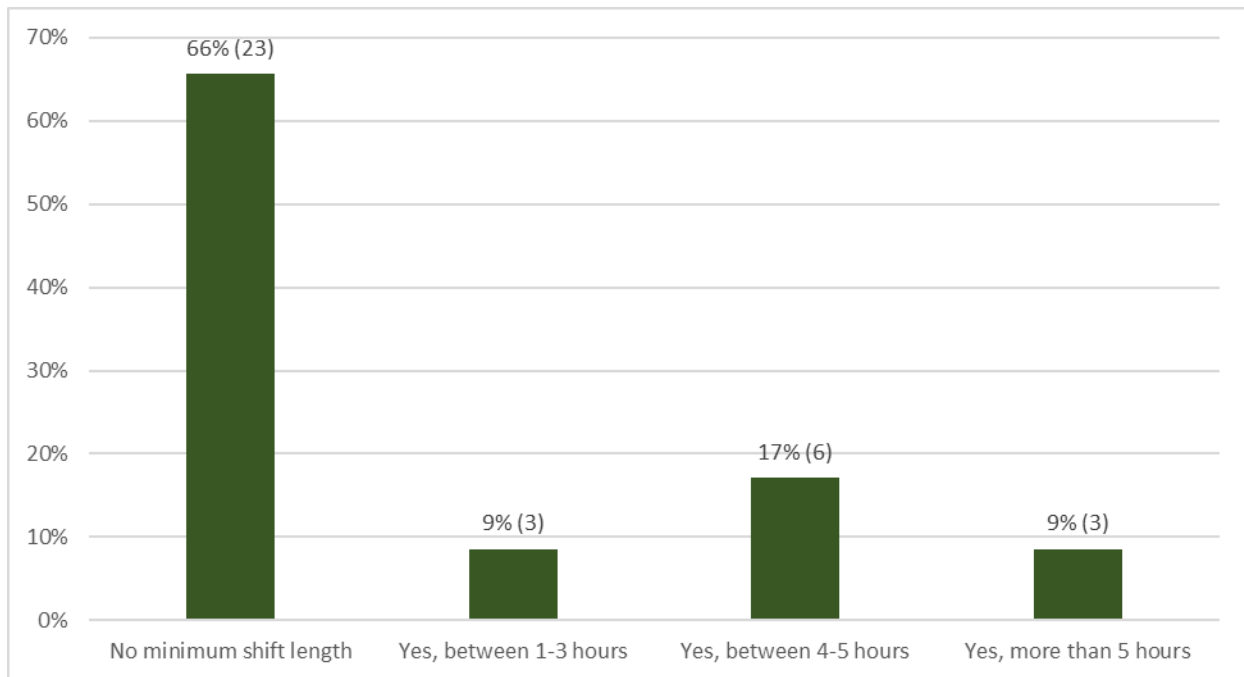
Figure 9 Employer reported drivers of scheduling



Note: number of respondents is shown in brackets.

In respect of shift length, most employers in our sample do not specify a minimum shift length; those that do tend to specify between four and five hours.

Table 10 Minimum shift length for low-paid workers on variable hours contracts



Note: number of respondents is shown in brackets.

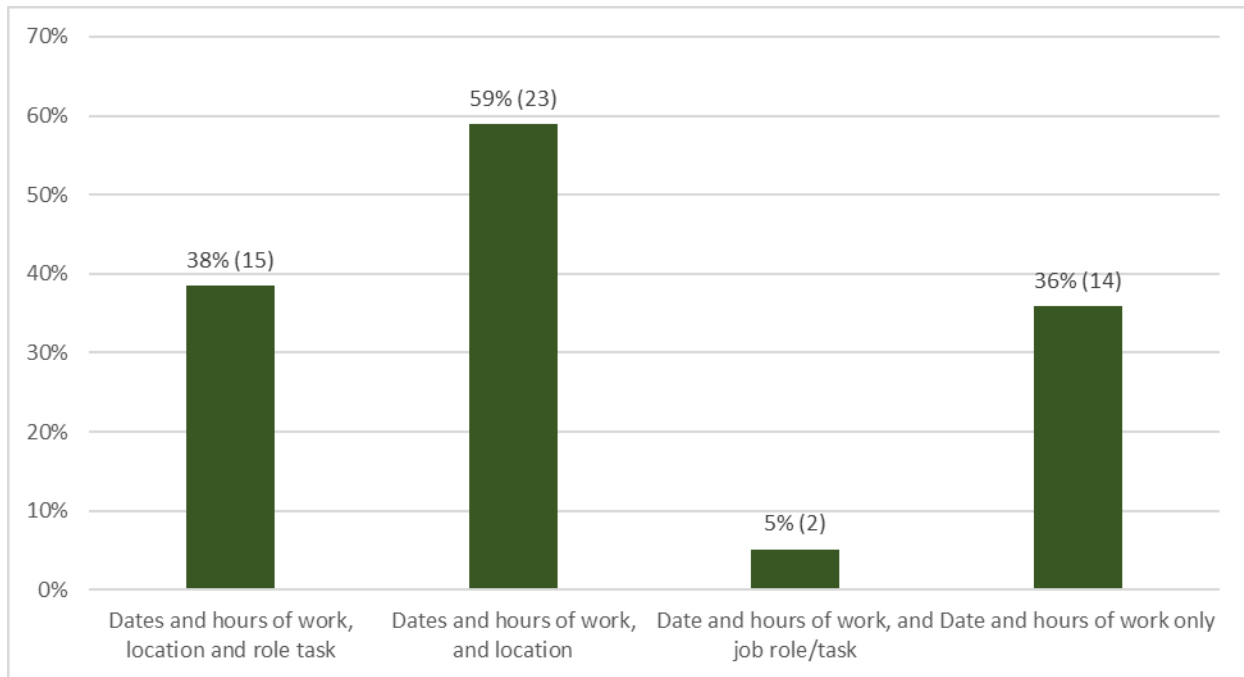
3.2 Assigning staff

Employers mainly inform staff of their shifts by contacting them directly either by phone, email or text. The use of workplace rotas is also common and a number of employers use both methods of communication. In respect of what information is provided to staff when they are notified of shifts or work pattern, most inform staff of the date, hours of work, and location of work.

Table 11 Method for notifying staff of their shifts

Employer response	Count	%
Contact the member of staff directly	15	38%
Staff must log into online system	1	3%
Rotas are available in the workplace	7	18%
Contact the member of staff directly <u>and</u> available online	1	3%
Contact the member of staff directly <u>and</u> available via workplace rota	10	26%
Contact the member of staff directly <u>and</u> available online <u>and</u> via workplace rota	3	8%
Rotas are available in the workplace and available online	2	5%

Figure 10 Information provided by employers when notifying staff of shifts



Note: number of respondents is shown in brackets.

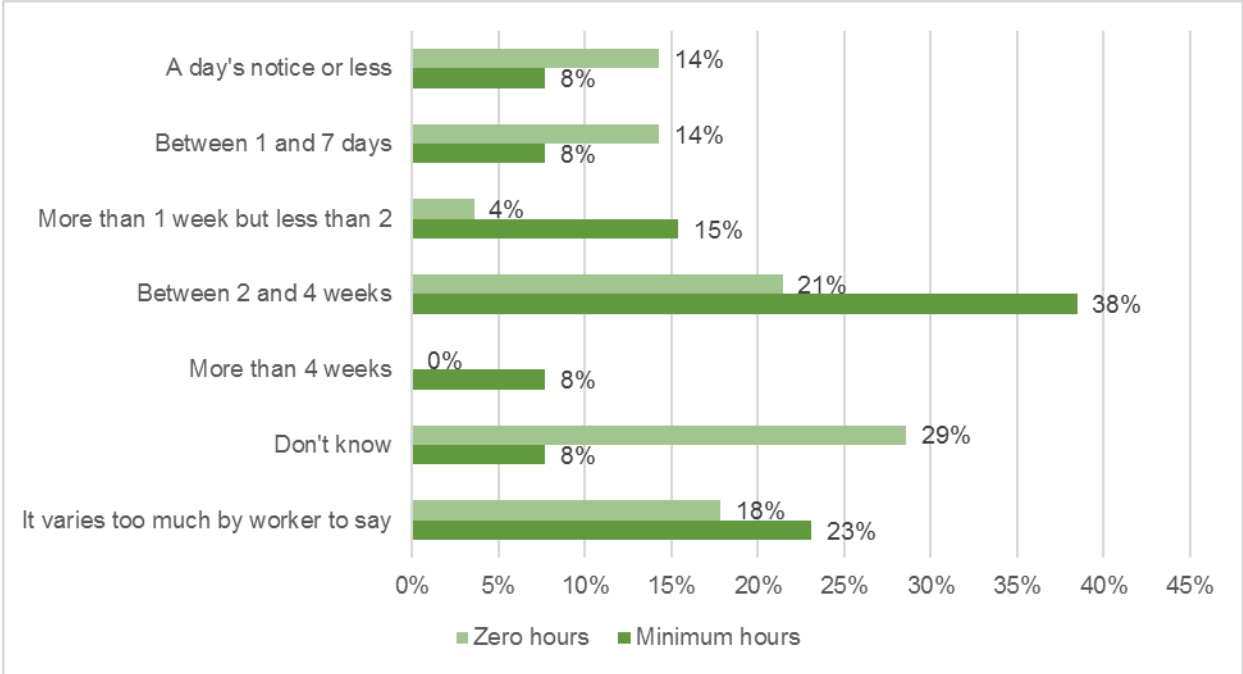
Employers in our sample typically provide between two- and four-weeks' notice of the shift pattern/rota, although as Figure 11 shows there is considerable variation. Those on minimum hours contracts are likely to receive more advance notice regarding shift patterns or rotas than

those on zero hours. Almost two-fifths of organisations (38%) operating minimum hours contracts provide staff with between two- and four-weeks' notice of shift patterns, and a further 8% give more than four weeks' notice.

Meanwhile, almost a third of organisations operating zero hours contracts (32%) provide less than two weeks' notice of shift patterns staff are expected to work. Some 14% of organisations operating zero hours contracts provide just a day or less notice and a further 14% said they provide between a day and seven days' notice.

Almost a third of organisations with zero hours contracts (29%) said they do not know how much notice staff are given regarding shift/rota patterns which indicates it is an area that is not closely monitored, with perhaps little consideration given to this aspect.

Figure 11 Typical advance notice provided to staff on both minimum hours and zero hours contracts



3.3 Employee flexibility

The survey asked employers a range of questions aimed at judging the amount of flexibility employees have over their working pattern. We wanted to establish whether staff on these types of contract are able to turn down work. Employers' responses indicate that staff on zero hours contracts have more flexibility over their hours.

Overall 90% of respondents with low-paid staff on zero hours said workers can turn down work, compared with 82% of those with low-paid staff on minimum hours contracts. Employers also give zero hours staff more options if/when a shift is not convenient. As Table 12 shows zero hours staff can either turn down work, request an alternative or choose their own hours, whereas minimum hours staff are mainly only able to request an alternative shift.

Table 12 Employer responses on whether staff on minimum and/or zero hours contracts contractually reject the working pattern offered and/or request an alternative pattern

Employer response	Staff type	Count	%
Yes, they can reject/turn down the working pattern/shift offered	Staff on minimum hours contract	1	9%
	Staff on zero hours contract	20	67%
Yes, they can request an alternative working pattern/shift	Staff on minimum hours contract	6	55%
	Staff on zero hours contract	14	47%
Yes, they can self roster (choose their own hours)	Staff on minimum hours contract	0	0%
	Staff on zero hours contract	4	13%
No	Staff on minimum hours contract	2	18%
	Staff on zero hours contract	1	10%

Note: proportion based only on those offering that type of contract and respondent were able to provide more than one response. Minimum hours percentages are based on a sample of 11 and zero hours a sample of 30.

Table 13 provides examples of the flexibilities afforded to staff on minimum and/or zero hours contracts to reject the working pattern offered and/or request an alternative pattern.

Table 13 Flexibilities afforded to staff on minimum and/or zero hours contracts to reject the working pattern offered and/or request an alternative pattern

	Can employees turn down work/request an alternative?	And what happens in practice?
Z	We will always try to match the pattern the member of staff required.	Generally we are able to match staff and their preferred hours.
B	The business will know what hours the employee is available to work.	In practice the hours are rarely rejected by staff as they are given the hours and days that they can work.
Z	Only if unreasonable notice is given can they reject. Staff are not required to work on days that we agree are their regular non-working days or on days when leave has been approved.	-
B	Working patterns are established on an availability basis. Changes are accommodated if they can be covered by another team member.	-
Z	Continually turning down offered work could lead to no further work being offered, but degree of flexibility in how applied.	Managers try to accommodate individual requests when setting shifts and arranging cover.
Z	We have a bank of workers and we would offer them the hours, in some roles going through a list until someone agrees to hours needed. Some roles require fixed times, other working hours can be flexible and agreed with manager	-
B	All employees can request a change of availability through an online system that then goes to the restaurant manager for review. Employees are also able to advertise assigned shifts for either swap or to give away to another employee.	-
Z	As hours are not guaranteed if hours become available that employee is not available for then employee can turn down hours which then in turn would be offered to another member of staff.	Those employees on fixed hour contracts are required to complete timesheets to state hours worked each week.
B	Staff can request and if business is able to accommodate needs this is granted.	Zero hours - we check their availability and schedule shifts and hours according to business need on days they are available.
	They will need to speak to their line manager explaining the reason why they cannot work those hours (may have commitments outside of work) before any amendment can be made.	-
B	Work is offered, the employee has the option to refuse the work.	Workers generally accept the work offered, but they are well aware they can refuse the work.
Z	There is no "mutuality of obligation". Staff often simply "sign up" to spare shifts.	Staff often simply "sign up" to spare shifts.
B	Arranged through manager who also monitors rosters.	Arranged through manager who also monitors rosters.
Z	Team members can write in the request book to request particular days off or to work particular days - however if they haven't requested a change in their normal availability and are then scheduled within their normal availability - we would expect them to turn up (or swap their shift).	-
Z	There is no contractual obligation on individuals in the casual/relief pool to accept any offer of work.	There is a mixture of responses to engagement. Some casual/relief staff do decline the opportunity whilst others will take forward.
Z	Contractually we are able to ask staff to work the schedules shift. However, all staff are able to state "availability" and will only ever be scheduled to work those hours. Availability changes need to be confirmed with line managers. A request for an alternative shift can therefore be made and it is up the line manager to approve/reject.	The vast majority of shifts are at times pre-agreed with colleagues at acceptable times for them. Schedules are generated 3 weeks in advance. Most requests for changes are accommodated unless given at very short notice.

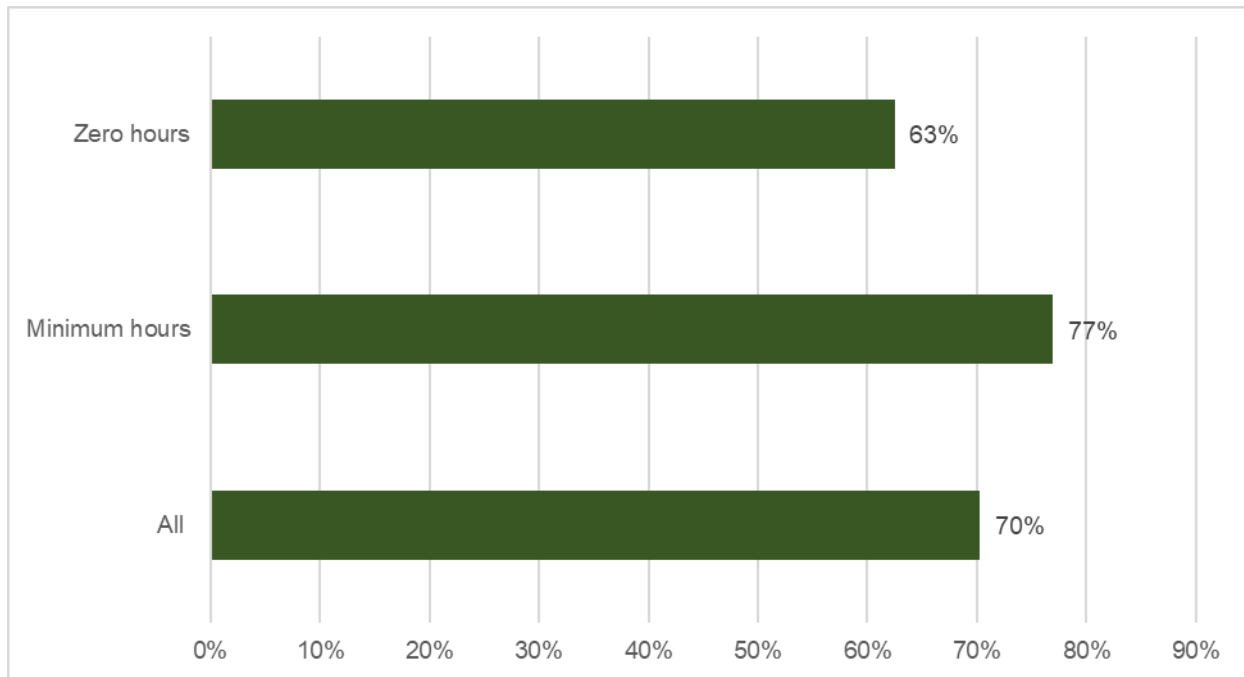
Key: Z employer operates zero hours, M employer operates minimum hours, B employer operates both.

Employers were also asked if employees are able to swap shifts and the majority of respondents allow workers on minimum or zero hours contracts to swap shifts with other employees. Staff on minimum hours contracts in our sample are marginally more likely to be able to swap shifts, with 77% of respondents reporting this practice is allowed compared with 63% for zero hours staff.

Table 14 Employers responses on how shift swapping works in practice

Employer response
Each restaurant manages this differently and will go through the rota manager.
In some roles switching is possible eg Receptionists, Library Assistants. They will arrange between themselves with input from permanent staff in dept. They will then communicate arrangements to colleagues, and complete detailed time sheet to ensure pay is accurate.
Through an online system, the swap would need to be approved by a manager before it is allowed. We do have a buddy system where an employee can nominate another employee they can swap with at short notice without permission, the buddy must have been agreed prior.
Where alternative cover can be found and approved my manager, employees can swap shift on a case by case basis.
Employees agree to swap shifts by liaising with themselves or with line manager, as long as shift is covered and no working time directive is breached. Customer Experience Manager updates rota on app and Business Performance Manager authorises and confirms the amended rota.
They arrange it themselves (needs to be someone that can do the same tasks) and then the manager just signs it off
This works extremely well and allows for flexibility in the work place.
Employees make arrangement with employee and inform manager so rota can be updated.
Must notify the management team.
Managed and monitored by discretion at individual sites.
Done locally with manager's monitoring and approval.
As long as workers are employed in the same role, services will differ in their approach to how this is managed.
Via text message between staff members and the department is notified of the change to update the rota
Once an employee has found someone else to cover their shift they must have this authorised by manager.
It doesn't often happen but can be arranged with manager who also monitors rosters.
In general this doesn't happen – but as and when worklife emergencies arise there are options to swap with supervisors knowledge – dependent on work area.
Essentially, so long as a colleague can agree with another colleague to swap shifts, the line manager just approves it. Most colleagues are free to swap, however they are generally asked to find someone with the same skills (e.g. bra-fitting). Line manager's monitor the situation - as it can impact pay it needs line manager approval through the system.
Handled at store level, reported via an in-store system and relayed to payroll.
If they can find another colleague to swap the rota'd hours they are unable to work, they have to get their line manager to agree to the swop before the rota can be amended
We have a colleague app that allows colleagues to swap shifts. The manager gets notified of request and approves/rejects.

Figure 12 Proportion of employers that allow workers on minimum or zero hours contracts to swap shifts



3.4 Cancelling shifts

We asked employers about the process for cancelling a shift for a low-paid worker (those earning £10 or less an hour) on a zero/minimum hours contract, including notification method, minimum notice period (the policy and in practice), and whether any compensation is provided.

Rather positively, five (13%) employers told us that they never cancel shifts, while those that do cancel shifts generally provide at least 24 hours' notice and inform workers via direct contact, such as a phone call or an email. However, there were also some concerning responses, including two employers (both within the hospitality sector: a hotel and a brewery) that report staff are only notified via a rota in the workplace and both provided no details of the notice given to staff. Further, they provide no compensation for a cancelled shift.

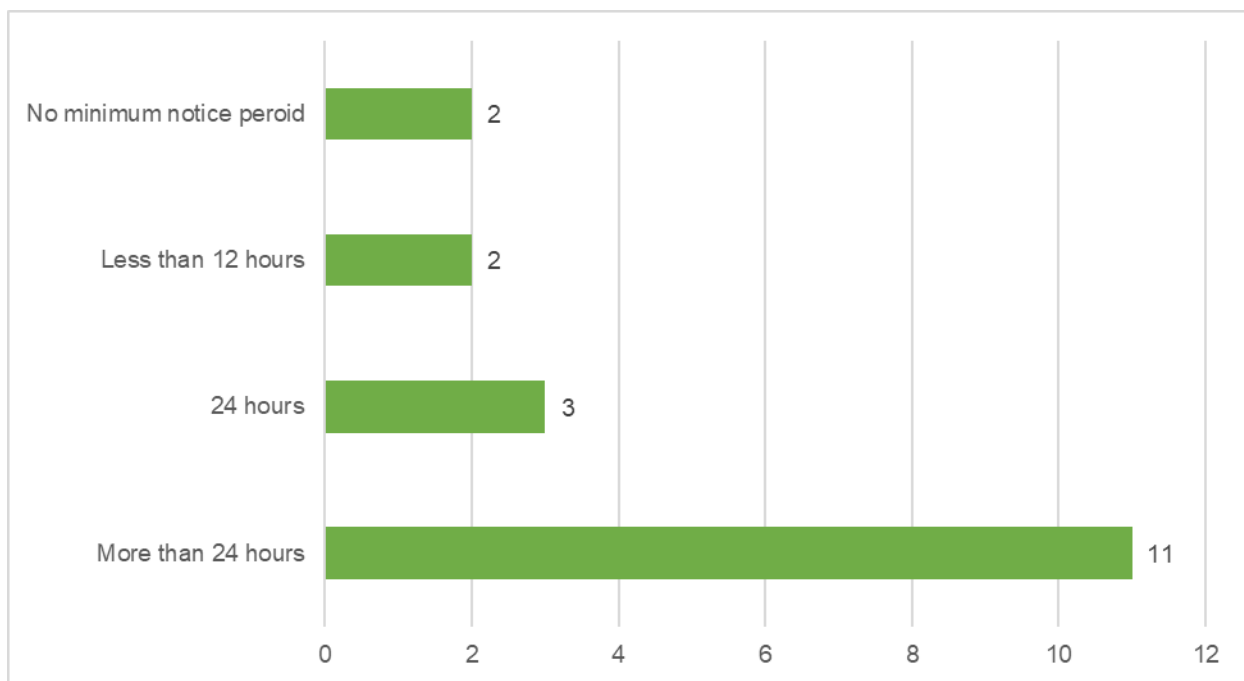
The farming business uses all three communication methods (direct contact, online system and workplace rotas), to ensure workers know when a shift has been cancelled, probably because it only provides 12 hours' notice, however workers are compensated with a minimum of four hours' pay. Employers with shorter notice periods are more likely to use a combination of methods to reach workers about a cancelled shift.

Table 15 Employers' approaches for notifying staff of a cancelled shift

Employer response	Count	%
Don't cancel shifts	5	13%
Contact the member of staff directly	21	62%
Staff must log into online system	0	0%
Rotas are available in the workplace	2	6%
Contact the member of staff directly <u>and</u> available online	0	0%
Contact the member of staff directly <u>and</u> available via workplace rota	9	26%
Contact the member of staff directly <u>and</u> available online <u>and</u> via workplace rota	1	3%
Rotas are available in the workplace and available online	0	0%

Just 18 employers gave details of the minimum notice period and the majority state that more than 24 hours is given, and in a few cases a week or more.

Figure 13 Shift cancellation notice period

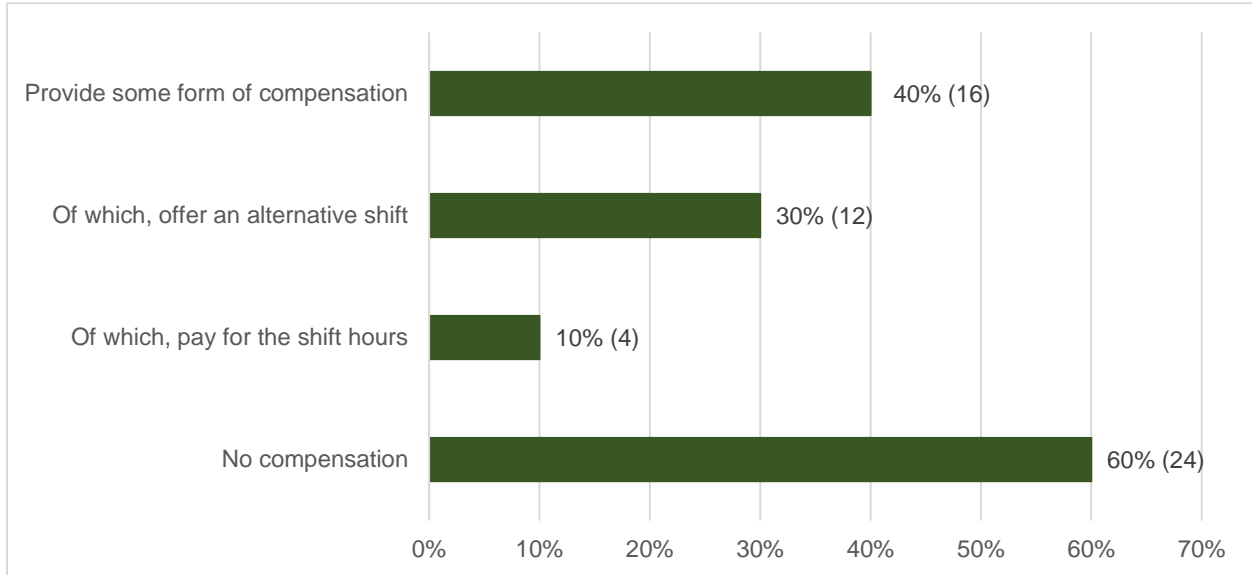


3.5 Compensating cancelled shifts

Overall 40% (16) of respondents state that staff on variable hours contracts receive some form of compensation when shifts are cancelled, the rest provide no compensation. Staff are most commonly offered an alternative shift/period of work (30% -12 employers) with just four (10%) employers reporting that staff are paid for the cancelled shift/period of work and in two of these

cases staff are not necessarily paid for the entire shift but for a minimum of four hours work (effectively being a call-out/disturbance payment).

Figure 14 Employers' responses to compensating cancelled shifts



Note: number of respondents is shown in brackets.

Looking more closely at the responses, Table 16 shows that compensation is mainly limited to the public and not-for-profit employers in our sample.

Table 16 Employers' responses to compensating cancelled shifts by sector

Sector	Number of employers	
	Provide compensation	No compensation
Hotels, restaurants, arts and leisure (10)	3	7
Public sector and not-for-profit (11)	7	4
Retail and wholesale (8)	2	6
Social care, welfare and housing (4)	1	3
Other private sector (7)	3	4

Note: number of respondents is shown in brackets.

4 Pay and earnings

In this section we examine employers' responses on minimum adult pay rates, pay premiums and measures by employers to smooth out fluctuations in earnings for staff on minimum or zero hour staff.

4.1 Pay rates

Employers in our sample all employ low paid staff and many (19 in total) set their adult minimum rate at exactly the level of the National Living Wage (NLW), which is currently £7.83. These are mostly within the 'traditional' low-paying sectors of hospitality, retail and care. The median minimum adult rate is £7.84, while the average is slightly higher at £8.08 mainly due to higher minimum rates at public sector employers. Where employers have a minimum adult rate above the currently statutory rate, the gap varies from 1p to £1.01 an hour. All of the employers in the public and not-for-profit sectors in our sample have an adult minimum rate set above the NLW, typically 67p an hour above the current statutory level for workers aged 25 and over (see Table 18). Hospitality and retail respondents are split fairly evenly between those that set their adult minimum rate at the NLW and those that do not – in hospitality half of the ten pay exactly £7.83, while in retail three out of eight pay exactly £7.83. In hospitality, the highest rate in the sample is £8.75, while in retail it is £8.33.

Figure 15 Adult minimum hourly pay rates by sector



Table 17 Minimum adult hourly pay rates by sector

Sector	Median minimum rate	Average minimum rate	Count
Hotels, restaurants, arts and leisure	£7.88	£8.03	10
Public and not-for-profit sectors	£8.50	£8.41	11
Retail and wholesale	£7.92	£7.96	8
Social care, welfare and housing	£7.83	£8.08	4
Other private sector	£7.83	£7.78	7
Overall average	£7.84	£8.08	40

Adult minimum pay rates are lowest at firms in our sample with larger concentrations of low-paid workers. As the table shows, the median minimum rate in firms with up to 20% of staff paid £10 an hour less is £8.75, which falls to £7.83 at firms with between 80 and 99% of staff paid below £10 an hour. There is a sectoral influence here since many of the largest employers in our sample are either retailers or hospitality firms.

Table 18 Minimum adult hourly pay rates by proportion of low-paid staff

% paid £10 or less an hour	Median minimum rate	Average minimum rate	Count
Less than 20%	£8.75	£8.66	6
20-39%	£8.23	£8.23	6
40-59%	£8.00	£8.00	7
60-79%	£7.92	£8.05	6
80% and more	£7.83	£7.88	11

4.2 Zero and minimum hours pay

According to the results of the survey the median minimum rate for adult workers on either minimum or zero hours contracts is £7.83, while the average pay rate is slightly higher for those on zero hours compared with those on minimum hours contracts. We wondered whether this difference was due to a premium for holidays paid to zero hours staff and, as part of the research, we re-contacted 12 employers with zero hours contracts to ask about their arrangements for holiday pay.

Table 19 Minimum adult hourly pay rates by variable hours contract type

Contract type	Median minimum rate	Average minimum rate	Count
Minimum hours contracts	£7.83	£8.05	13
Zero hours	£7.83	£8.10	32

The majority (eight) state that the minimum pay rate is the same for staff on fixed and zero hours and that zero hours staff accrue holiday separately for the hours they work. The others attach a premium which is paid out separately and is not included in the basic hourly rate. The premiums quoted range from 8.3% to 12.07%.

4.3 Numbers of low-paid staff

The survey shows that the overall average proportion of staff on the company's minimum rate of rate is 51%, however the proportion of staff varies significantly by sector with far fewer staff on the minimum rate in the public and not-for-profit sectors than in 'traditional' low-pay sectors. Retail and wholesale employers in our sample typically have the largest proportion of staff on the minimum rate (an average of 80%) and these also represent the largest employers overall. Overall just over half of workforces in our sample are paid £10 or less an hour. The figures also provide evidence of slightly more complex pay structures in place in hospitality compared with retail³, since the proportion of staff on the minimum rate in hospitality is lower than the overall proportion paid £10 or less an hour indicating that there is at least one grade that sits just above the minimum rate.

Table 20 Average proportion of staff paid the adult minimum rate by sector

Sector	% paid adult minimum rate	% paid £10 or less an hour	Count
Hotels, restaurants, arts and leisure	57%	65%	9
Public and not-for-profit sectors	28%	28%	10
Retail and wholesale	80%	80%	8
Social care, welfare and housing	47%	47%	3
Other private sector	44%	52%	7
Overall average	51%	54%	37

Youth rates are fairly prevalent among our sample, with 18 employers reporting to operate separate rates of pay for young workers aged under 25, nine of whom pay National Minimum Wage rates. None of the public and not-for-profit employers in our sample report having youth rates, while those in hospitality are the most likely to operate separate pay rates for younger workers.

³ Also evident in our other research on pay in retail (*Pay in Retail 2017*, Incomes Data Research, January 2018) which shows generally more progression for low-paid workers in hospitality.

Table 21 Proportion of respondents operating youth rates by sector

Sector	% with youth rates	Count
Hotels, restaurants, arts and leisure	28%	5
Public and not-for-profit sectors	0%	0
Retail and wholesale	22%	4
Social care, welfare and housing	6%	1
Other private sector	22%	4
Overall average	100%	18

4.4 Premiums

According to the results of the survey, just under half of respondents pay premiums for non-contracted hours worked by staff on either minimum or zero hours contracts: 46% of those with minimum hours contracts and 47% in the case of zero hours contracts. However, on following up with employers about their responses these premiums are simply the employer's standard overtime rate, which typically takes effect once full-time weekly hours have been exceeded. For example, a social housing organisation reported that an overtime premium worth 10% takes effect after minimum hours staff have worked 36 hours a week.

Table 22 Proportion of employers reporting pay premiums

Contract type	Premium paid for non-contracted hours	Premium paid for unsocial hours work	Count
Fixed	57%	57%	35
Minimum	46%	31%	13
Zero	47%	41%	32
Agency	40%	40%	5

Many employers in our sample also report paying unsocial hours premiums, although, as the figures in Table 22 show, fixed hours staff are more likely to qualify for unsocial hours payments than those on variable hours. Overall staff on minimum hours contracts are the least likely to benefit from unsocial hours payments compared with staff on fixed, zero or agency terms.

4.5 Pay smoothing

The survey asked employers whether they operate any measures to smooth out fluctuations in earnings for workers on zero or minimum hours contracts. Overall 15 respondents said that they do, representing 38% of the sample. However, on closer inspection, it appears that these arrangements often apply only or predominantly to their fixed-hours staff. This suggests that the proportion of employers that have put mechanisms in place to provide variable hours staff with

greater predictability in their pay packets is lower still. In practice, it may be that the irregular nature of such working arrangements means most employers find it too difficult to put pay smoothing measures in place. However, at one local authority we contacted, zero hours workers with a regular working pattern may request an annual hours contract after a minimum time working in the role.

Case study D also provides a good example of how annualised hours for minimum hours staff works in practice. Here youth workers typically work six hours a week term-time and 35 hours a week during school holidays and their pay is calculated based on a total number of hours each year so that they are paid a regular amount each month.

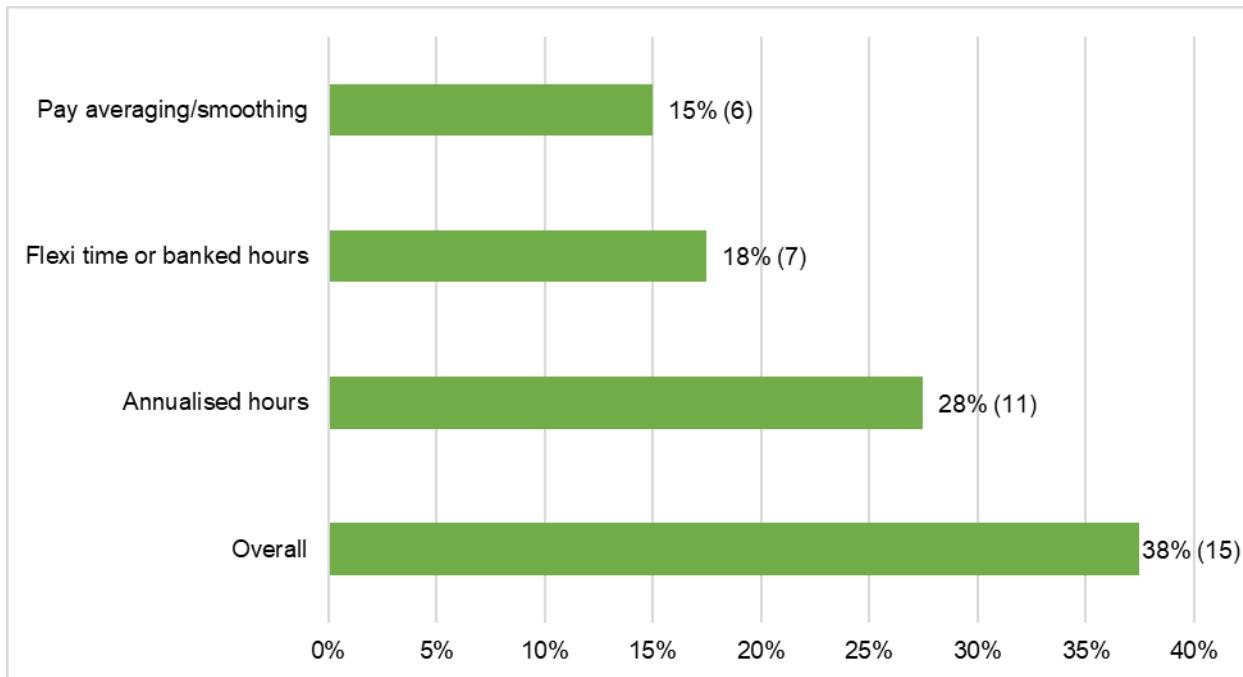
The most commonly-used approach among employers in our sample is annualised hours, whereby workers are guaranteed a set number of hours over the year which are worked flexibly according to demand but workers are paid a regular amount. Banked hours, whereby additional hours are ‘banked’ rather than paid and can be carried forward, and pay averaging, where hours vary over the period but pay is smoothed out, are also used. Employers also report using more than one method, which we assume relates to different groups of workers.

By sector, hospitality firms in our sample are the least likely to implement any measures to smooth out fluctuations in earnings for staff on minimum or zero hours.

Table 23 Proportion of employers operating pay smoothing for zero or minimum hours staff

Sector	% with pay smoothing	Count
Hotels, restaurants, arts and leisure	20%	2
Public and not-for-profit sectors	45%	5
Retail and wholesale	38%	3
Social care, welfare and housing	50%	2
Other private sector	43%	3
Overall average	38%	15

Figure 16 Employers' approaches to smooth out fluctuations in earning



Note: number of respondents is shown in brackets.

The survey also set out to gauge the level of variation in earnings for staff on minimum and zero hours but unfortunately most employers found it difficult to provide a precise answer (or chose not to). Only one respondent (a farming firm) was able to provide a figure of between £240 and £400 a week. Other employers simply reported 'widely' or 'it varies too much to say' indicating that hours variably considerably, at least for some staff. Another employer said that it 'depends entirely how much overtime is offered and worked. Typically, the variance is not great.'