



Factsheet: Zero Hours Contracts in the Employment Rights Bill

What is the current policy/legal framework?

Zero hours contracts are used widely across the workforce, with data from August 2024 showing over 1 million people are on such contracts¹.

Zero hours contracts can benefit both workers and employers but without proper safeguards this flexibility can become one-sided, with workers bearing the financial risk. Zero and low hours contracts can make it difficult for a person to manage their financial obligations and their personal life. The current system allows workers to work regularly for an employer but with no certainty about their future hours and earnings. Employers can offer and cancel shifts at last minute, so that much of the financial risk of changing demand is on their workers. That uncertainty can affect both financial security and well-being.

Policy intent

The government is committed to ending one-sided flexibility and exploitative zero hours contracts, ensuring that all jobs provide a baseline of security and predictability so workers can better plan their lives and finances.

Employers who already provide this security and predictability for their workers will benefit from a level playing field. These measures will help drive up standards and eliminate undercutting. Greater clarity and advance notice of working patterns will help workers by making it easier to organise transport and childcare, and to meet other family commitments and caring responsibilities. The measures are also expected to encourage employers to plan ahead more, meaning that workers do not bear so much of the financial risk.

How will it work?

Right to guaranteed hours

The measures set out in the Bill will require employers to offer qualifying workers guaranteed hours reflecting the hours they worked during the reference period. The reference period will be set out in regulations and is anticipated to be 12 weeks. The qualifying workers will be able to reject an offer of guaranteed hours and remain on their current contract if they wish.

The government will set out further details around this process in regulations, including provisions around how it will be determined that the hours set out in an offer are determined to that an offer reflects the number of hours worked.

In developing the regulations, the government intends to consult fully on the zero hours workers measures to inform the details of their implementation.

The government is publishing a consultation on the application of the zero hours workers measures to agency workers, to ensure that the bill provisions are appropriately applied to this group.

¹ [People in Employment in Zero Hours Contract](#), ONS, 2024

Right to reasonable notice of shifts

The bill will require employers to provide workers with reasonable notice of shifts and changes to these.

If an employer schedules shifts or changes with unreasonable notice, the worker can bring a tribunal claim. The tribunal will decide whether the worker was given reasonable notice of the shift. The government will use regulations to state how much notice should be 'presumed reasonable'. This will be the tribunals' starting point. The government will also set out the factors the tribunals should look at when determining whether the notice was reasonable or not.

The government will also specify other details in regulations, such as which workers are in scope.

The government intends to consult on these issues ahead of setting making regulations.

Right to payment for shifts cancelled, curtailed, or moved at short notice

The bill will require employers to make payments to workers if they cancel, move or curtail a shift at short notice.

Detailed information regarding the right will be set out in regulations, including which contracts are in scope, what constitutes short notice, how much the payment will be, and any exemptions. The government intends to consult on these points first.

Key Stats

- Analysis of the Labour Force Survey (LFS) from January to March 2024 shows that there are around 1,030,000 people in employment on zero hour contracts in the UK, representing around 3% of all people in employment in the UK. Growth in zero hours contracts has stabilised in recent years following significant growth between 2010 and 2016.
- The sectors which rely most heavily on zero hours contracts are hospitality, retail, and health and social care.
- 26% of those on zero hours contracts report that they would like to work more hours, compared to 6% not on zero hours contracts.
- People on zero hours contracts are more likely to be young (16-24), female or in full time education.²
- Analysis from the Living Wage Foundation (2023) suggests that 59% of workers whose hours vary week-to-week (which includes zero hours and low hours workers) receive less than a weeks notice of shifts, while 13% receive less than 24 hours' notice.³

² [People in Employment in Zero Hours Contract](#), ONS, 2024

³ Precarious Pay and Uncertain Hours, Living Wage Foundation, 2023

