

Options Assessment

Title: Ending one-sided flexibility - reforms of zero hours and similar contracts: Right to reasonable notice of shifts

Type of measure: Secondary Legislation

Department or agency: Department for Business, Innovation, Science and Trade

IA number: DBT-018-26-CMRR

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1. Summary of proposal

1. The government is committed to tackling one-sided flexibility, ensuring that all jobs provide a baseline of security and predictability. The government will deliver this commitment through three measures:
 - a. A right to guaranteed hours, where the number of hours offered reflects the hours worked by a qualifying worker during a reference period.
 - b. A right to reasonable notice of shifts.
 - c. A right to payment for shifts cancelled, moved or curtailed at short notice.
2. Through the Employment Rights Act 2025 (the Act), the government legislated for employers to provide eligible directly engaged workers with reasonable notice of shifts. The Act created an equivalent obligation on agencies and hirers to provide eligible agency workers with reasonable notice of shifts.
3. These measures will apply to eligible workers, including directly engaged and agency workers. However, they apply differently to agency workers than to directly engaged workers, and it may be appropriate for there to be further differences set out in regulations for agency workers. This is outlined throughout the longlisting and shortlisting sections of this Options Assessment (OA).

4. If a worker feels that they have not been provided with reasonable notice of a shift, they should raise their concern directly with their employer. If they cannot resolve the dispute, they will be able to make a claim to an employment tribunal which will make a decision on whether notice was reasonable based on the circumstances of each case.
5. Recognising that what amounts to reasonable notice will differ according to the circumstances, the Act provides for a 'presumption' of reasonable notice to be defined in regulations, alongside factors that may affect whether notice is reasonable or not in the circumstances. The 'presumption' is rebuttable so longer notice than the presumption can be unreasonable and shorter notice than the presumption can be unreasonable. The 'presumption' will be a starting point for employment tribunals to make decisions on whether notice is reasonable based on the circumstances, and the factors should assist in making such decisions.
6. The government intends for workers to be in scope of the right to reasonable notice if they are on a zero hours contract, or have a number of hours guaranteed in their contract that is at or below an 'hours threshold', which will be specified in regulations and which will relate to the right to reasonable notice and the right to payment for shifts cancelled, moved or curtailed at short notice. The right to reasonable notice will generally apply to shifts scheduled for eligible workers where the timing of those shifts is not already specified in the worker's contract. This new right means employers must give reasonable notice to workers of when these shifts will be and how long they will be for, as well as changes and cancellations to their shifts.
7. This OA accompanies a consultation on specific details of eligibility and how the rights are to be implemented, which will inform details to be set out in secondary legislation. This OA and accompanying consultation largely does not include government preferred options as the intention is to gather a wide range of stakeholder views alongside further evidence, including government commissioned research (see paragraph 184 for further detail), before determining the most suitable approach. The proposed approach will be set out in a government response to the consultation in due course.
8. This OA summarises our evidence on the right to reasonable notice of shifts, building on the impact assessment¹ published when the Employment Rights Bill (the Bill) was introduced to Parliament. This OA only assesses regulatory options. This is because primary legislation has already been passed which sets up the regulatory framework.

Pre-Act policy background

9. The 2017 Taylor Review² examined modern working practices, particularly insecure work and the gig economy. Within this, one-sided flexibility was highlighted as a particular issue. The Taylor Review recommended balancing labour market flexibility with worker protections, including implementing reasonable notice requirements for shift schedules.
10. In 2018, the Low Pay Commission (LPC) analysed the review's proposals. In its response to the Taylor Review³, the LPC recommended the right to reasonable

¹ [Impact assessment: ZHCs - Right to Reasonable Notice of Shift Patterns and Payment for Shifts Cancelled, Moved or Curtailed at Short Notice](#), DBT, 2024

² [Good work: the Taylor review of modern working practices](#), Taylor, 2017

³ [Low Pay Commission Report](#), LPC, 2018

notice of work scheduling, advocating for advance notice to support workers in effectively planning their lives.

11. In 2019, the Department for Business, Energy and Industrial Strategy, in collaboration with the LPC, launched a public consultation on the LPC's recommendations⁴. Within this, the government consulted on a right to reasonable notice, with the aim of giving workers more assurance of the scheduling of their shifts. However, the government at the time did not proceed with legislation after this consultation.

2. Strategic case for proposed regulation

12. Short-notice shift scheduling presents a clear case for government intervention due to its contribution to labour market inefficiencies and wider social harms. Workers who receive little or no advance notice of their shifts can face significant barriers to planning childcare, travel, caring responsibilities and other personal commitments, and in some cases to planning their income and access to supplementary work.
13. The economic arguments (market failures) that support the rationale for intervention are set out below. Paragraphs 15 to 29 set out the UK and international evidence on short-notice shift scheduling (including the groups of workers and sectors most impacted).

Market Failures

14. The economic case for intervention to address short notice shift scheduling can be broadly split into four categories:
 - a. Monopsony power⁵: Employers can transfer undue risk onto their workers due to their ability to exert market, or monopsony, power. Monopsony power can be exacerbated by a lack of geographical mobility on the part of workers.
 - b. The Competition and Markets Authority (CMA)⁶ finds that monopsony power is a feature of many parts of the UK labour market and has a real cost for workers, as it allows monopsony employers to push down terms and conditions. In the CMA's research, pay and hours worked are the main elements explored, but this would also apply to wider terms and conditions including the predictability of shift patterns.
 - c. Negative externalities: variable and insecure forms of work have a number of negative externalities⁷. The unpredictability of working hours contributes to stress⁸, anxiety, and poor mental health⁹ among affected workers. These

⁴ [Good Work Plan: one-sided flexibility](#), DBT, 2019

⁵ Monopsony power refers to the market situation where a single or dominant employer has significant control over the labour market, enabling them to set wages and employment conditions below competitive levels. In the context of zero hours contracts, this power is amplified because workers often lack alternative employment options and bargaining strength, making them more vulnerable to exploitative scheduling and pay practices.

⁶ [Competition and market power in UK labour markets](#), CMA, 2024

⁷ A cost or benefit incurred by a third party who did not choose to be involved in the economic transaction, this could be the workers household who suffer from the insecurity, or parties who the worker has ongoing outgoing payments to.

⁸ [Limiting Choices: Why people risk insecure work](#), Gable and Florisson, 2023

⁹ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

personal costs frequently translate into broader societal burdens, including increased reliance on public health services and welfare support. The social cost of short-notice scheduling is not reflected in the private transaction between employer and worker, leading to over-provision of short-notice shift scheduling.

- d. Information asymmetry: there may be an information asymmetry¹⁰ where employers may have full visibility of upcoming schedules and business needs but may delay sharing this with workers to maintain flexibility.
- e. Moral hazard¹¹: moral hazard arises when one party can take risks because the costs of those risks are borne by another party. The ability of employers to give workers unreasonable notice of their shifts means they can externalise business risks, such as fluctuating customer demand or operational uncertainty, onto workers.

15. In the following sub-sections, we explore the UK and international evidence on short notice shift scheduling, including the range of impacts on workers, employers and the wider economy, and who is most impacted.

Population experiencing short-notice shift scheduling

16. Workers on more flexible contracts are more likely to experience short-notice shift scheduling due to the nature of their work. Among others, this includes the following key groups:

- a. Zero hours contracts: according to the ONS Labour Force Survey, there are around 1.2 million¹² people in employment on zero hours contracts in the UK, representing around 3.6% of all people in employment.¹³ People on zero hours contracts are more likely to be young (aged 16 to 24 years), female or in full-time education. The sectors that rely most on zero hours contracts are hospitality (accommodation and food), transport, arts and other services, health and social care, and retail and wholesale trade.
- b. Agency workers: according to the ONS Labour Force Survey, there are around 900,000 agency workers, of whom approximately 140,000 also stated that they were employed on a zero-hours contract¹⁴.

17. There has been a range of research to assess the extent of short-notice shift scheduling:

- a. Recent research published by DBT (2026) finds that 63% of workers in insecure work (defined as agency workers, workers on zero hours contracts,

¹⁰ Information asymmetry refers to a situation where one party in a transaction has more or better information than the other, allowing them to make decisions that advantage themselves. In the context of short notice shift scheduling, employers may have greater visibility over future demand and staffing needs than workers, enabling them to delay sharing information about shifts in order to retain flexibility, leaving workers unable to plan their time or income effectively.

¹¹ Moral hazard refers to a situation where one party can take decisions that increase risk because the costs or consequences of that risk are partly borne by another party. In the context of short notice shift scheduling, employers may rely on providing limited notice or altering shifts at the last minute, as the operational and financial risks of fluctuating demand are borne by workers through income instability and disrupted personal planning.

¹² Other ONS surveys provide higher estimates of the number of zero hours contracts across the labour market. More information can be found in paragraphs 103a and 152.

¹³ [EMP17: People in employment on zero hours contracts](#), ONS, 2026

¹⁴ [Impact Assessment: ZHCs - Right to reasonable notice, and payment for shifts cancelled, moved or curtailed at short notice](#), DBT, 2024

workers on permanent contracts with 1 to 16 hours guaranteed weekly and workers on fixed term contracts with 1 to 16 hours guaranteed weekly) receive less than 2 weeks' advance notice of shifts, and 40% receive less than one week's notice. Among the groups surveyed, those more likely to receive less notice of shifts include those on zero hours contracts and agency workers (compared to those guaranteed some hours) and those in the hospitality sector. Those working in health and education were more likely to receive a longer amount of notice.

- b. Research from the Living Wage Foundation (2023)¹⁵ shows that 82% of workers who reported that their hours varied received less than 4 weeks' notice of working hours, shifts or work schedules as a minimum, 73% received 2 weeks or less advance notice of shifts as a minimum, and 54% received 1 week or less notice as a minimum. Of the respondents who received less than 4 weeks' notice as a minimum, 41% reported that they were working regular office hours (9am to 5pm, etc.), 38% were on a rota system, 8% were on a zero hours contract and 4% were agency workers.

Negative impact of short-notice shift scheduling: Workers

- 18. There has been a range of UK research on the impact of short-notice shift scheduling on workers.
- 19. Research from the Living Wage Foundation (2022)¹⁶ suggests that workers who are regularly subject to changes in their shifts are subject to an 'insecurity premium', which refers to additional cost and income implications due to the way their hours are organised. This manifests in two main ways:
 - a. The first is the loss of income associated with having shifts cancelled unexpectedly, where they receive less than their full wage and, for workers who rely on multiple sources of work, are unable to find alternative work.
 - b. More specific to the right to reasonable notice is that by not receiving sufficient notice of shifts being scheduled, workers are unable to use cheaper services to get to work in the first place (such as public transport). Findings from the LWF (2022) suggest that 27% of surveyed workers who experience short shift notice periods and/or shift cancellations have faced higher travel costs because of the way their hours are organised, while 25% have experienced increased difficulty budgeting, 20% have experienced increased reliance on debt, and 17% have experienced higher childcare costs.
- 20. This is supported by the external research commissioned by DBT¹⁷, which found that six in ten (60%) workers in insecure work reported that short notice of shifts had impacted their ability to plan or manage their personal life, almost half (49%) reported that it had impacted their mental health, the same proportion (49%) reported it had impacted their ability to budget for household or other expenses, and 42% reported that it had impacted their cost of getting to work.

¹⁵ [Living Wage Foundation Data Tables](#), Living Wage Foundation, 2023

¹⁶ [The Living Hours Index](#), Living Wage Foundation, 2022

¹⁷ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

21. More than four in ten (42%) reported that short notice had impacted their physical health, with those with children (53%), those from ethnic minority backgrounds (56%) and 26 to 35-year-olds (59%) all disproportionately impacted. When looking at the impact of short notice of shifts on household or other expenses, nearly half of all respondents stated an impact (49%); this was particularly felt by younger workers aged 26 to 35 years (64%). When analysing the results, we see a consistent pattern of those with children disproportionately negatively impacted by short notice, more than 6 in 10 (64%) with children noting an impact on budgeting for household or other expenses, and almost two thirds (65%) of parents noting an impact on managing their personal life.
22. Similarly, Work Foundation (2023)¹⁸ polling found that 'insecure' workers were twice as likely as secure workers to experience job-related stress 4 to 6 days of the week (26% compared with 13%), in particular related to uncertainty over total earnings.
23. This is further supported by the international evidence base:
 - a. Schneider and Harknett (2019)¹⁹ find that routine work schedule uncertainty in the US is a strong predictor of psychological distress, poor sleep quality and unhappiness, even more so than low wages. This same paper finds that short notice of work schedules was associated with hunger: 36% of workers with less than three days of advance notice experienced hunger hardship, compared with 28% of those with at least two weeks' advance notice.
24. A study by Amorim and Schneider (2022)²⁰ provides compelling evidence that unpredictable scheduling in the US service sector is strongly associated with use of high-cost debt, independent of income levels. The research shows that workers facing multiple forms of schedule unpredictability such as last-minute shift changes, cancelled shifts, or little advanced notice, are significantly more likely to rely on high-cost financial products such as overdrafts, or have adverse experiences with credit cards such as late fees or over-the-limit fees, compared to those with stable schedules. The study finds that making work schedules more predictable leads to greater reduction in the use of overdrafts and other forms of high-cost debt than simply increasing a worker from the lowest to highest income group. This suggests that interventions targeting schedule stability are more effective in reducing reliance on high-cost debt than income-based measures.

Negative impact of short-notice shift scheduling: Productivity

25. The efficiency wages theory suggests that when workers feel valued and are satisfied with their jobs, they become more engaged and committed to their place of work and therefore work more efficiently. This efficiency drives higher productivity and in turn can increase business output and economic growth. There is a range of evidence indicating that unpredictable work schedules contribute to reduced productivity.
26. For example, research by Censuswide (2022) found that 29% of UK workers reported lower productivity due to financial worries, with 25% feeling depressed and

¹⁸ [Limiting Choices: Why people risk insecure work](#), Gable and Florisson, 2023

¹⁹ [It's About Time: How Work Schedule Instability Matters for Workers, Families, and Racial Inequality](#), Schneider and Harknett, 2019

²⁰ [Schedule Unpredictability and High-Cost Debt: The Case of Service Workers](#), Amorim and Schneider, 2022

32% losing sleep over economic concerns²¹. In addition, in Timewise's (2025) consultation response to the Keep Britain Working Review, they state findings that in UK social care, poor retention rates were directly linked to scheduling and the unpredictability of rotas, among other factors such as downtime in the middle of the working day and the need to travel long distances between clients²². The study trialled a move to more advance notice of rotas coupled with a team-based, geographic approach. This led to a reduction in overheads, by reducing the size of the central administration team and savings made on travel time. There was also a slight reduction in sickness absence rates.

27. This is further supported by the international evidence base:

28. Yu (2023)²³, in their study of restaurants in the US, finds that while scheduling shifts with less than 24 hours' notice ("just-in-time" scheduling) provides flexibility which reduces labour costs, it may hurt the restaurant waiter's productivity and thus the employer's revenues. Their study finds a 4.4% lower productivity during the use of real-time schedules (which feature lack of advance notice) compared to regular schedules.

29. "The Impact of Schedule Consistency on Shift Worker Productivity" by Lu et al. (2022)²⁴ analyses over 1.2 million transactions processed by 126 grocery cashiers in the US to evaluate how consistent scheduling, defined as working the same hours of day and same days of week, affects productivity. Using econometric modelling, the authors find that hour-of-the-day consistency raises cashier productivity by 0.95%, while day-of-the-week consistency yields a 1.63% increase on average. These effects are substantially causal, with even greater gains observed among inexperienced cashiers: 3.39% (hour consistency) and 7.93% (day consistency). The results indicate that ensuring consistent schedules can causally enhance operational efficiency, especially by supporting less experienced employees.

Conclusion

30. Overall, there is a range of evidence of short-notice shift scheduling across the UK labour market, with negative impacts on households, employers, and the wider economy. The evidence base shows that certain groups (e.g. those on zero hours contracts and agency workers) and sectors (e.g. hospitality, retail, and health and social care) are more likely to be exposed to short-notice shift scheduling. The long-list and short-list sections, and the Annex, provide further discussion on how this interacts with the policy design and the impacts by sector and business size. The approach to the consultation is intended to develop the evidence base on one-sided flexibility further to inform the final policy detail.

3. Objectives for intervention

31. The key policy objectives of the right to reasonable notice of shifts, together with the right to guaranteed hours and the right to payment for shifts cancelled, moved or

²¹ [Over 8 million UK employees take productivity hit due to financial worries](#), Unum, 2022

²² [Keep Britain Working Review: Timewise consultation response](#), Timewise, 2025

²³ [How to design predictable scheduling laws that not only benefit workers but also firms' bottom line? | Brookings](#), Yu, 2023

²⁴ [The Impact of Schedule Consistency on Shift Worker Productivity: An Empirical Investigation](#), Lu et al., 2022

curtailed at short notice, are to tackle one-sided flexibility and rebalance the benefits and risks between employers and workers.

32. More specifically, the aims are to provide workers with more predictable working hours and greater security over when work will take place, and greater short- and long-term security over their income. Additionally, this aims at providing incentives for employers to invest in improved shift schedule planning and management practices. It is the government's intention to achieve this while taking a targeted approach to ensure that there is not a disproportionate effect on employers who already provide more secure, stable work. This will provide a level playing field for employers who already provide their workers with more secure, stable work.
33. Within the consultation on reforms of zero hours and similar contracts, the government has set out three core objectives which will guide the final policy decisions.
 - a. Establish a baseline of security and stability for workers facing unpredictable hours so they can plan their lives more effectively.
 - i. Improve the security of hours and income for workers and agency workers on variable hours contracts.
 - ii. Improve the financial stability for workers and agency workers on variable hours contracts.
 - b. Rebalance labour market flexibility so it works for both workers and employers.
 - i. Promote genuine two-sided flexibility, that enables workers and agency workers to balance their working life with their personal commitments such as caring or parental responsibilities.
 - ii. Facilitate a two-way employment relationship where the benefits and risks of flexible working are shared evenly, and the financial risk of uncertain demand is shared more fairly.
 - iii. Ensure that employers (or hirers/agencies) can only modify or opt out of these measures with agreement from the relevant trade union to ensure agreements benefit both workers/agency workers and employers (or hirers/agencies).
 - c. Support sustained economic growth across the diverse range of industries that make up the UK economy.
 - i. Encourage employers, hirers and agencies to invest in workforce planning and improve scheduling practices.
 - ii. Provide a level playing field for employers, hirers and agencies who already provide security and predictability.
 - iii. Target the measures towards those workers and agency workers lacking security and predictability. Ensuring that the measures deliver benefits for these workers that are proportionate to the additional obligations for employers, hirers and agencies.

34. Using these, the objective associated with this legislation is a reduction in insecure work by:
- a. An increase in the notice of shifts and changes to shifts received by workers and agency workers.

Impacts on growth and HM Government objectives

35. The Plan for Change²⁵ sets out objectives to support the lowest paid workers with job security and improved working conditions, whilst also bringing business right to the heart of delivering growth. The Employment Rights Act 2025 is expected to have a small, positive impact on growth over the medium to long term, as outlined in the government's Economic Analysis and Enactment Summary Impact Assessment²⁶, reflecting improvements in job quality, workforce stability and productivity, alongside fairer competition between firms.
36. The government has three main objectives for the zero hours and similar contracts reforms, which have guided the development of the consultation and intend to guide final policy decisions to be made after the consultation:
- a. Establishing a baseline of security and stability for workers facing unpredictable hours so they can plan their lives more effectively;
 - b. Rebalance labour market flexibility so that it works for both workers and employers;
 - c. Supporting sustained economic growth across the diverse range of industries that make up the UK economy.
37. The right to reasonable notice of shifts is intended to contribute to these objectives by improving predictability over when work takes place, supporting worker wellbeing and engagement, and encouraging better workforce planning and scheduling practices. This could support productivity where current scheduling practices are inefficient or where the use of short-notice scheduling contributes to stress, absence, staff turnover or reduced engagement.
38. However, these potential growth benefits need to be balanced against the costs and risks to business. The policy will introduce administrative costs on employers, and may reduce employer flexibility where businesses currently rely on short notice scheduling to respond to genuinely unpredictable demand, urgent staffing needs, staff absence or short-term changes in workload. However, in some circumstances, short notice of shifts may still satisfy the obligation to provide reasonable notice. These risks are likely to be most significant in sectors and settings where variable hours contracts and short-notice staffing are an important part of business operating models.
39. The government is consulting on a wide range of options, with no preferred option for the right to reasonable notice at this stage, to ensure that policy decisions are informed by evidence from employers, workers, agencies, hirers and other stakeholders. The final policy parameters will aim at increasing shift predictability and

²⁵ [Plan for Change](#), HM Government, 2024

²⁶ ['Employment Rights Act Economic Analysis and Summary Impact Assessment'](#). HM Government, 2026

security for workers while maintaining appropriate flexibility for employers, supporting a balanced approach to sustained economic growth.

4. Description of intervention and explanation of the logical change process whereby this achieves the policy's objectives

40. Under a 'Do Nothing' scenario, employers would continue to be able to schedule shifts at short notice. Likewise, we assume the right to payment for shifts cancelled, moved, or curtailed at short notice and the right to guaranteed hours are also not implemented under the 'Do Nothing' scenario. This would mean that the problems of income insecurity and unpredictability associated with the one-sided flexibility involved in certain variable contract employment relationships would persist due to the market failures outlined in paragraph 14 of section 2. Further discussed in section 2 is evidence on the harmful impact of insecure work on job related stress, as well as the connection between little notice of shifts and financial insecurity, higher travel and childcare costs, and use of high-cost debt. For these reasons, the 'Do Nothing' option is discarded.
41. All analysis in this OA is conducted relative to this status quo, with all options presented being regulatory as all options are a continuation of the Employment Rights Act 2025. Where costs or benefits are estimated under the proposed measures, these figures represent the incremental impact compared to the 'Do Nothing' scenario. This approach ensures that the assessment reflects the additional effects of intervention beyond the existing baseline.
42. The Act creates a new obligation for employers to provide reasonable notice of shifts to eligible workers. The government intends for workers to be in scope of the right to reasonable notice if they are on a zero hours contract or have a number of hours guaranteed in their contract that is at or below an 'hours threshold', which will be specified in regulations. Where a worker is guaranteed hours, their contract may not specify the days/times of their shifts. However, if a worker is contractually guaranteed hours at some specific times, the obligation to provide reasonable notice relates only to shifts outside of these set times and extensions of those guaranteed shifts. This new right means employers must give reasonable notice to workers of when their shift will be and how long it will be for. They must also give reasonable notice of any changes or cancellations of these shifts.
43. The Act creates an equivalent obligation on hirers and agencies to provide reasonable notice of shifts to eligible agency workers. Hirers and agencies are jointly responsible for giving reasonable notice to agency workers of when their shift will be and how long it will be for, and any changes or cancellations of these shifts. Whilst the government understands that the majority of agency workers do not have any hours guaranteed to them contractually, some may do (for example, by their agency). The government intends to exclude agency workers from the right to reasonable notice where they are already contractually guaranteed hours (for example, by their agency) over an hours threshold, to be specified in regulations, and is consulting on how this hours threshold should be applied.
44. The government is consulting on the period of notice that should be 'presumed reasonable' and on the factors to be considered by employers, hirers, agencies and

workers (and ultimately by employment tribunals where a worker brings a claim for not receiving reasonable notice, as it is an obligation for the employment tribunals to have regard to these factors) when determining whether the notice given was reasonable. What is considered reasonable will depend on the circumstances of each case and may be more or less than the amount of notice presumed reasonable. For example:

- a. If the presumption of reasonable notice is set at 2 weeks, and an eligible worker is given less than 2 weeks' notice of a shift, it will be presumed that the notice given was not reasonable. If parties cannot resolve their dispute, the worker would be able to make a claim to the employment tribunal where the employer (or hirer/agency) would have to show why the notice they gave was reasonable in those circumstances. The tribunal may consider the notice given was reasonable in the circumstances, having regard to the factors set in regulations.
 - b. If the presumption of reasonable notice is set at 2 weeks and an eligible worker is given 2 or more weeks' notice of a shift, it will be presumed that the notice given was reasonable. The worker would still be able to make a claim to the employment tribunal, but they would have to show why the notice they were given was not reasonable. The tribunal might consider the notice was not reasonable in the circumstances which could include, for example, that the employer knew the worker was needed long before when notice was given.
45. Receiving reasonable notice of shifts and of cancellations and changes to shifts will make it easier for workers and agency workers to make any arrangements necessary for them to work the shift, such as organising travel, childcare and other responsibilities. It will also give workers and agency workers greater certainty over when upcoming work will take place
46. It will also give workers in insecure work more certainty on their upcoming work hours and associated income, allowing them to better plan their lives and finances. Increased notice also reduces 'idle' time, where workers and agency workers make themselves available for work in case something comes up, but no shift is offered. Knowing further in advance whether shifts will be available provides more opportunity to find alternative work.
47. Other countries have previously sought to provide more security and predictability for those in these forms of employment, particularly zero hours contracts. For example, a requirement to give two weeks' notice is increasing in prominence across the US. Some workers are entitled to two weeks' notice in Oregon²⁷, Chicago²⁸ and San Francisco²⁹, mainly those working in sectors such as retail and hospitality, or for large employers.
48. International evidence suggests that 'predictive scheduling' laws have not only improved predictability and well-being for workers, but have also benefitted employers through better workforce planning, reduced staff turnover and fewer last-minute absences.³⁰ Research from Kwon and Raman (2023)³¹ on fair work week

²⁷ [Predictive Scheduling](#), Oregon Bureau of Labor and Industries

²⁸ [Fair Workweek](#), Chicago Business Affairs and Consumer Protection

²⁹ [Predictive Scheduling Laws: A City-By-City Guide](#), Paycor, 2025

³⁰ [Low Pay Britain](#), Resolution Foundation, 2025

³¹ [The Real Effects of Fair Workweek Laws on Work Schedules: Evidence from Chicago, Los Angeles, and Philadelphia](#), Kwon and Raman, 2023

laws in the US found that these laws increase the amount of advance notice provided to employees without negatively affecting the number of scheduled shifts and work minutes allocated to them. The research also found no evidence that impacted stores decreased labour utilisation or employee headcount or faced difficulty in hiring new employees.

- 49. Beyond certain states and cities in the US, the EU and certain countries including Canada and New Zealand have laws to regulate on-call work. However, most OECD countries have no requirement to give workers any set amount of notice.
- 50. There is also a living hours accreditation scheme run by the LWF in the UK, which requires employers to give 4 weeks' notice of shifts. There are currently over 250 living hours accredited employers³².

Theory of Change

- 51. The theory of change for this appraisal sets out the causal change of implementing the right to reasonable notice through to longer-term impacts.
- 52. For this appraisal, the 'do nothing' baseline assumes that the current status quo remains in place, and that there is no right to reasonable notice, meaning that there are no obligations on employers around the amount of notice they provide to workers of shifts.
- 53. As noted in the consultation, the right to reasonable notice of shifts also seeks to stop employers only scheduling shifts at the last minute to avoid having to make short notice payments.
- 54. The risks identified in the theory of change are assessed in more detail from paragraph 223 and will be mitigated through the consultation and evidence-building process.

55. Inputs:

- a. Introduce a statutory right to reasonable notice for shifts and shift changes, ensuring eligible workers and eligible agency workers receive reasonable notice of shifts.

56. Activities:

- a. Employers, hirers and agencies update rostering systems and scheduling practices to comply with reasonable notice requirements.
- b. Communicate new scheduling policies to managers and workers.
- c. Employers, hirers and agencies train managers in compliance and implement workforce planning tools to reduce last-minute changes.

57. Outputs:

- a. Greater predictability in work schedules for workers and agency workers.
- b. Reduced last-minute shift scheduling.

³² [Living Hours Accreditation](#), Living Wage Foundation

- c. Increase in workers and agency workers getting advance notice of shift timings.
- d. Potential increase in advisory caseloads for the Advisory, Conciliation and Arbitration Service (Acas) and employment tribunals on disputes about whether notice provided was reasonable.

58. Outcomes:

- a. Improved wellbeing and job satisfaction due to more predictable schedules, and for some workers in insecure work and on lower guaranteed hours, improved financial security.
- b. Enhanced trust and transparency between employers and workers, and hirers/agencies and agency workers.
- c. Better workforce stability, reducing stress and absenteeism and potentially increasing tenures for workers.
- d. Increased administrative burden for employers, hirers and agencies in managing compliance.

59. Impacts:

- a. More inclusive growth by supporting workers and agency workers (e.g. those with caring responsibilities) and reducing work scheduling-related stress.
- b. Improved retention and workforce stability, reflecting greater worker security.
- c. Impacts on overall growth, productivity and employment (see the 'Impacts on growth and HM Government objectives' and 'Non-monetised costs and benefits' sections for further detail).

5. Summary of long-list and alternatives

60. While the Act introduced the primary legislation for the regulatory option, there are many ways of enacting this primary legislation. This OA covers the range of options for the powers that are being consulted on, as well as explaining why certain options were discounted and are not being consulted on. Consultation will allow us to gather the views of workers, agency workers, employers, hirers, agencies and other stakeholders and understand the potential impacts of different options.
61. The long-list has been generated within the framework established by the Act. The Act has already established the statutory right to reasonable notice of shifts for eligible directly engaged workers, and an equivalent right in respect of eligible agency workers. The purpose of this OA is therefore not to reassess whether a right to reasonable notice should be introduced, but to assess the options for how that statutory framework should be implemented through secondary legislation.
62. The right to reasonable notice section of the consultation does not contain government preferred options, therefore neither does this OA. The purpose of consulting on a range of options, with no preferred option, is to gather the widest possible stakeholder views and address identified evidence gaps before determining the most appropriate and proportionate approach. Similarly, the consultation presents a range of options to understand how different potential regulatory parameters interact with each other and affect workers, employers, agencies and other stakeholders, including across different sectors. The consultation also provides space for respondents to outline any overarching interactions, implications or impacts that they may have identified in relation to the new right to reasonable notice of shifts. This approach aims to ensure the government can work with all stakeholders to develop effective reforms to deliver increased security and stability to eligible workers and eligible agency workers while retaining necessary business flexibility.
63. The consultation will be used to test assumptions, refine impact estimates, and supplement existing evidence with qualitative and quantitative insights from employers, workers, agencies and other stakeholders, alongside government-commissioned research. Responses to the consultation, together with emerging evidence, will inform final policy decisions, which will be set out in the government response to the consultation in due course and reflected in the final impact assessment accompanying secondary legislation.
64. This OA does not cover all powers being consulted on, but rather where the consultation provides a range of options rather than wider open text input. In relation to the right to reasonable notice, these are:
- a. Presumption of reasonable notice
 - b. Eligibility – hours threshold
65. The presumption of reasonable notice and the hours threshold may be different or apply differently for agency workers compared to those directly employed, to take into account the differences in the way that agency work is used by employers. This nuance is reflected in the ranges of options considered in consultation and in this OA.

66. This OA considers wide ranges of options for the powers listed above. It first longlists these options against the objectives of the policy, before subsequently giving a fuller assessment of the associated costs and benefits of each option, as well as the directly engaged workers, agency workers, employers, hirers and agencies who would be impacted. The longlist considers powers where there is scope to implement in many ways, while the shortlist gives the exact options considered in the consultation, including on those powers where the scope for implementation is more limited. Most of the costs and benefits identified apply to all the options under consideration, though the scale of the impact varies by option.
67. Where the consultation includes key questions that are ‘free text’ and with no specific options, we assess the justification for this approach in the long-list stage. Where relevant, further analysis will be provided in a final-stage impact assessment if specific options are taken forward following consultation.

Presumption of reasonable notice

68. The government recognises that what amounts to “reasonable” notice will differ according to the circumstances of a case. Therefore, it would not be appropriate to require a set amount of notice in every circumstance. The Act does not create a rigid timeframe. Instead, it sets out that a certain period of time will be ‘presumed reasonable’. This will be the starting point for workers, employers, hirers, agencies and tribunals when considering what notice is needed. This means that shorter or longer notice than what is presumed reasonable may be reasonable depending on the specific circumstances, including after consideration of the factors to be taken into account when determining whether notice was reasonable. These are discussed in more detail below, under the heading “factors for tribunals to consider when determining whether notice was reasonable in the circumstances”.
69. The government will set out in regulations a presumption of what is reasonable, which will be the starting point for tribunals to decide whether notice was reasonable in any given case. The government will also set out the factors tribunals must consider when determining whether notice was reasonable or not.
70. Where a case goes to tribunal, if an employer, hirer and/or agency has given less notice than the amount presumed reasonable, they will need to establish that it was reasonable in the circumstances. If the employer, hirer and/or agency has given more notice than the amount presumed reasonable, the worker or agency worker will need to establish that it was not reasonable in the circumstances.
71. While reasonable notice is not a rigid timeframe, we expect that, all else being equal, the longer the presumption of reasonable notice, the more employers, hirers and agencies will change scheduling behaviour to provide longer notice.
72. Research from DBT (2026)³³ shows that 14% of current workers in insecure work are usually offered their working hours or shifts either on the same day or 1 day in advance, 40% are usually offered their shifts less than a week in advance, 63% are

³³ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

usually offered their shifts less than 2 weeks in advance, and 77% are usually offered their shifts less than 4 weeks' in advance.

73. Table 1 below sets out the notice that workers whose hours vary receive of their working hours, shifts or work schedules as a minimum. This evidence is useful because it provides information on notice across a broad population of workers (all workers aged 18 and over), it allows us to remove those whose job does not involve variable working hours or shift work, and is taken from the LWF³⁴. The figures in Table 1 are expressed as the percentage of those who reported that their hours vary (i.e. this excludes the 44% of workers who stated that 'my job does not involve variable working hours or shift work').

Table 1: Minimum amount of notice variable hours workers receive for shift

Amount of notice	Less than 24 hours	Less than a week	2 weeks or less	Less than 4 weeks
Percentage of variable hours workers	15% (meaning 85% get notice of 1 day or more)	54% (meaning 46% get notice of 1 week or more)	73% (meaning 27% get more than 2 weeks' notice)	82% (meaning 18% get notice of 4 weeks or more)

74. This shows that the majority of variable hours workers receive under 4 weeks' notice of their shifts as a minimum. Just under half receive one week or more notice of shifts as a minimum, while just over half receive less.
75. The government is consulting on a range of options for the period of time presumed 'reasonable'. The government retains the power to set a different presumption of reasonable notice for agency workers than for directly employed workers, and is considering a slightly different range of options for each group.
76. At the longlisting stage, the following options were under consideration for directly engaged workers.
- 77. Option 1 (discarded): a presumption of reasonable notice less than one week**
- The aim of the right to reasonable notice is to ensure that eligible workers have a meaningful improvement on the notice at which they receive for shifts. Given the proportion of workers who already receive at least a week's notice of their shifts, setting a presumption under this could significantly restrict the impact of the policy.
 - In addition, notice periods shorter than one week fail to address the core issue of unpredictability in variable hours work. These notice periods would not provide enough time for workers to effectively plan their lives, and to make the arrangements needed to work the shift.
 - Respondents can however suggest a shorter presumption of reasonable notice in the option for 'other' and the government will take this into account when making a decision.

³⁴ [Living Wage Foundation Data Tables](#), Living Wage Foundation, 2023

78. Option 2: Options for a presumption of reasonable notice ranging between 1 and 4 weeks and ‘other’

- a. These options represent a broad range, which balances worker needs against employer realities, avoiding extremes while allowing stakeholders a wide range of possibilities on which to input, including an ‘other’ option to allow for alternative views not captured in the specific options provided.
- b. These options should ensure a meaningful baseline of security and predictability offered by employment arrangements in scope of the legislation. At 1 week, this could be an improvement for the 54% of workers whose hours vary and who currently receive less than a week’s notice of shifts, at 4 weeks it could be an improvement to the 82% of workers whose hours vary work who currently receive less than 4 weeks’ notice of shifts. They should enable better financial and personal planning and less reliance on more expensive forms of childcare and transportation.

79. Option 3 (discarded): Options for a presumption of reasonable notice longer than 4 weeks

- a. Longer notice periods than 4 weeks may be impractical for many employers, particularly those with highly volatile demand. At this level, the notice period could reduce flexibility for both employers and workers, leading to a disincentive to offer shifts altogether, undermining the availability of work for casual workers.
- b. In addition, going beyond 4 weeks would mean going beyond both international comparators and the living hours accreditation standard. The LWF, which campaigns for fairer work, has chosen a 4-week standard³⁵.
- c. Respondents can however suggest a longer presumption of reasonable notice in the option for ‘other’ and the government will take this into account when making a decision.

80. The longlisted options for the presumption of reasonable notice for agency workers are:

81. Option 1 (discarded): The exact same options for a presumption of reasonable notice for agency workers as for those directly employed (between 1 and 4 weeks)

- a. The government recognises that agency work is often used to fill very short-term vacancies. The Resolution Foundation³⁶ suggest employers use agency workers primarily as ‘stop-gaps’, that is, 65% of employers said they use agency workers only ‘as and when needed’ or ‘as a last resort’. This suggests that agency work is often brought about from circumstances that arise at late notice. As such, the government does not believe that the range used for directly employed workers fully accounts for the nuance of agency work.

³⁵ [Living Hours](#), Living Wage Foundation

³⁶ [Choices, choices](#) Resolution Foundation, 2018

- b. As above however, respondents can however suggest a shorter presumption of reasonable notice in the option for 'other' and the government will take this into account when making a decision.

82. Option 2: Options for a presumption of reasonable notice between 5 days and 4 weeks, with an option for less than 5 days and other

- a. This option takes into account the nuance of agency work by including options that are shorter than one week, while still retaining the other options being considered for the directly employed workers, including the 'other' option. This means that the nature and varied reasons for agency work are better accounted for.
- b. Whilst the options are shorter, they should still meet the policy intention of increasing stability. This is because often agency workers receive very short notice of shifts, with the Association of Labour Providers (ALP) 2025 survey of agency workers³⁷ finding that 77% of respondents receive less than one week's notice of work assignments.

Factors for tribunals to consider when determining whether notice was reasonable in the circumstances

- 83. The government can set out in regulations factors that a tribunal must consider, alongside the period of notice presumed 'reasonable', when determining whether notice was reasonable given the circumstances. Tribunals must consider the circumstances of each case and in doing so may have regard to matters other than the factors set in regulations.
- 84. What is found to be 'reasonable notice' will depend on each individual case. For example, as noted in the consultation, it might be that more notice should be expected when a worker is contractually obliged to work any shifts that are offered to them than when a worker is free to turn down any shift that is offered. It might also be that less notice should be expected if an employer is seeking cover for another worker who has unexpectedly called in sick or is unable to work at the last minute for some other reason.
 - a. The government is seeking views from stakeholders in the accompanying consultation on the circumstances in which it might be acceptable to offer shifts with less notice, and in what circumstances employers, hirers and agencies should provide more notice, to inform the factors to be set out in regulations.
- 85. At the longlisting stage, the following options were under consideration by the government in respect of the drafting of these questions (in respect of both directly engaged and agency workers) for the consultation.
- 86. Option 1 (discarded): The government consulting on specific options to be considered as factors to help determine reasonable notice**
 - a. Under this option, the consultation would have set out a specified list of factors or specific circumstances for respondents to consider individually, for

³⁷ [Agency Worker Survey](#), ALP, 2025

example by asking whether each proposed factor should be included in regulations.

- b. However, this option was discarded. There are likely to be a range of factors relevant to whether notice is reasonable and the circumstances in which notice is reasonable could vary across sectors, working arrangements and operational contexts. A closed or specified list at consultation stage would risk narrowing the scope of evidence too early and may not capture the full range of situations in which shorter or longer notice could be justified. It could also give undue weight to the specific factors selected by government at a stage when the purpose of consultation is to gather evidence, rather than to signal a settled view on the content of the regulations.
- c. Consulting on a specified list of factors as discrete options would therefore not have been the most effective way to gather the widest possible range of evidence. This option was therefore discarded.

87. Option 2: The government consulting on a free text option for the factors affecting reasonable notice

- a. Under this option, the consultation invites respondents to provide free text views on the circumstances in which less notice may still be reasonable, and on the circumstances in which more notice may be appropriate. This enables respondents to identify relevant features of working arrangements, operational need, sectoral context and worker circumstances without being constrained by a pre-defined list.
- b. The presumption of reasonable notice will provide a starting point for employers, workers, hirers, agencies and tribunal decision-making, while the factors affecting reasonable notice can help determine whether notice is reasonable in the specific circumstances of the case.
- c. This option was taken forward by the government to help gather a wider range of evidence from workers, employers, agencies, hirers, trade unions and other stakeholders, including evidence on circumstances not identified in advance.

Eligible workers

Directly engaged workers

88. The Act provides the basis for determining eligibility for the right to reasonable notice. Directly engaged workers on zero hours contracts will be in scope. The Act also enables regulations to specify further descriptions of contracts in scope of the right.

89. The options considered for an eligibility requirement for the right to reasonable notice are detailed below.

90. Option 1: An hours threshold

- a. This option would provide in regulations that workers contractually guaranteed hours at or below a specified threshold (i.e. fewer than or equal to the level set

out in regulations) are in scope. The consultation will test where the threshold should be set.

- b. The intention of the Act is to provide the right to reasonable notice to workers on zero hours contracts, and those guaranteed some hours but who experience problems with one-sided flexibility in a similar way to those with no hours guaranteed. An hours threshold is considered a clear way of determining which workers are in scope because we expect those with no or few hours guaranteed are most exposed to the potential harms of uncertainty and instability (as shown in the strategic case for proposed regulation section).
- c. This approach reduces the risk of avoidance, as employers would not be able to move workers from zero hours contracts onto contracts with only a very small number of guaranteed hours in order to avoid the requirements.
- d. This option needs to be considered alongside the right to guaranteed hours and the right to payment for shifts cancelled, moved or curtailed at short notice. For the right to guaranteed hours, the Act sets out that workers in scope are those who are guaranteed, during the reference period, some hours of work within the hours threshold (in addition to those on zero hours contracts). Using an hours threshold for the right to reasonable notice supports consistency across the zero hours measures and makes the overall framework easier for workers, employers, agencies and hirers to understand.
- e. Due to these reasons, this option is therefore taken forward to the short list. The consultation will test where such a threshold should be set as well as whether an hours threshold is the right approach

91. Option 2 (discarded): An earnings threshold

- a. Under this option, regulations would set out a threshold related to earnings above which workers would not be in scope of the right to reasonable notice. It does not directly reflect the predictability of working patterns and could include or exclude workers in ways that are not aligned with the intended policy outcome.
- b. In addition, using a different basis of eligibility from the right to guaranteed hours would reduce consistency across the zero hours measures and could create confusion for workers and employers. As a result, this option has been discarded.

92. Option 3 (discarded): Sector eligibility

- a. Under this option, regulations would allow for targeting sectors where there is strongest evidence of one-sided flexibility (for example, hospitality, retail, health and social care). This would represent a departure from the usual approach for employment rights which is to establish statutory entitlements across the economy, regardless of sector. Establishing sector-based eligibility would also be challenging to enforce due to difficulty in defining sectors and would not create a level playing field across the economy.
- b. The intention of the Act is to establish a baseline of security and predictability for workers on zero hours and similar contracts. A sector-based eligibility test

would not be an effective way of achieving this as it would mean many workers facing one-sided flexibility would not be in scope. The Act allows collective agreements between trade unions and employers to agree more tailored conditions than the Act otherwise provides.

93. Option 4 (discarded) Operational need

- a. Under this option, eligibility for the right to reasonable notice could vary according to the operational circumstances of the employer or the nature of the work, for example where employers face variable demand or require staffing flexibility at short notice. This was considered because operational need is relevant to how the right would apply in practice.
- b. The government concluded that operational need is better addressed through the structure of the right itself, namely by requiring notice to be reasonable in the circumstances rather than imposing a fixed amount of notice to be given in every case. The operational needs from employers could be relevant when determining whether notice is reasonable. This would provide a more appropriate mechanism for reflecting operational circumstances than establishing a list of operational needs whereby employers would always be exempt from providing reasonable notice.
- c. Specific powers were not taken to exempt employers of eligible workers from providing reasonable notice to qualifying workers as this would equate to allowing employers to act unreasonably. The Act does however allow collective agreements between trade unions and employers to opt out of the rights or agree more tailored conditions than the legislation otherwise sets out.
- d. Further, a sector-based approach is also unnecessary because the right to reasonable notice is designed to operate flexibly. The Act does not impose a fixed notice period in every case; it requires notice to be reasonable in the circumstances. Where genuine operational features of a sector or workplace mean shorter notice is unavoidable, those circumstances could mean that short notice is still reasonable. This is a more appropriate way of reflecting sectoral differences than determining eligibility by sector, while maintaining a baseline right for workers across the economy.

Agency workers

- 94. The Act also extends the right to reasonable notice to eligible agency workers, recognising that agency workers can suffer from the same issues and concerns associated with one-sided flexibility as directly engaged workers. Extending the right to reasonable notice to agency workers ensures that agency workers have a level of security when planning out their upcoming work schedule. It also avoids employers merely moving to using agency workers as a way to avoid the obligation to provide reasonable notice of shifts.
- 95. Including eligible agency workers in scope is not aimed at discouraging the use of agency workers, and the benefit to employers of using agency workers to fill short term vacancies or for specialist skills is clear. This form of working arrangement can also be beneficial to workers, as they can often choose the contracts that suit them and benefit from the flexibility of accepting work for shorter periods of time, without being restricted by a permanent employment relationship.

96. While the government understands that most agency workers are not currently guaranteed any hours, it is the intention to exclude agency workers from the right to reasonable notice where they are already guaranteed hours in their existing arrangements above a certain threshold, with the consultation considering how best to reflect this (see paragraph 149 for further information)
97. For directly engaged workers, it will be the employer's responsibility to provide reasonable notice. For a directly engaged worker, there are two parties in the employment relationship: the worker and the employer. Agency workers have a unique type of employment relationship, involving a tripartite employment model between agencies, agency workers and hirers. In some cases, there is also a fourth party; an intermediary which handles payroll functions for the employment agency. The Act establishes joint responsibility between agencies and hirers to ensure agency workers are provided with reasonable notice of shifts.

Hours threshold

98. As set out in the objectives above, the core intent of this legislation is to establish a baseline of income security and predictability for eligible workers and agency workers and rebalance flexibility such that it works for employers, hirers, agencies and workers. The government therefore intends that only workers and agency workers with less than or equal to a certain number of guaranteed hours will be in scope of the right to reasonable notice, so that the provisions apply to workers who experience insecurity of income and unpredictability of hours in the same way as zero hours workers do. This is in line with the intent of the Act and of the policy.
99. This number of guaranteed hours will be set as the 'hours threshold'. For example, if the hours threshold was 16 hours, then someone who was guaranteed 16 hours or less in their contract would be in scope; someone with more than 16 hours guaranteed in their contract would not.
100. The hours threshold is intended to help target the right towards workers and agency workers who may lack sufficient predictability over when they work, while recognising that workers with higher guaranteed hours are likely to have greater security of income than workers with few or no guaranteed hours. The consultation tests a wide range of thresholds to gather evidence on where the balance should be struck between coverage, proportionality and the intended policy objectives. The higher the threshold is set, the more workers will be in scope, although only those actually working shifts should benefit from the right. Therefore, more workers would benefit from the right to reasonable notice, and more employers and hirers/agencies would have to take on these new responsibilities.
101. Whilst most agency workers are not currently guaranteed any hours, it is the government's intention to achieve the same effect as for directly engaged workers by excluding agency workers from the right to reasonable notice of shifts in regulations where they are already guaranteed hours over an hours threshold (for example, by their agency). The government is consulting on whether agency workers should be excluded where they already have a contract guaranteeing hours above the threshold regardless of which hirer these hours are to be worked for, or where they already have a contract guaranteeing hours above the threshold (for example, through their agency) specifically for one hirer.

102. At the longlisting stage, the following options were under consideration for both directly engaged and agency workers.

103. Option 1 (discarded): Only those on zero hours contracts or those with 7 or fewer hours guaranteed

- a. Approximately 2.6 million employee jobs in the UK were estimated to be zero hours contracts as of April 2025 (ASHE)³⁸. However, if only workers on zero hours contracts were in scope, then employers could avoid these new obligations simply by offering a one hour per week contract. A contract with a low number of hours guaranteed (between 1 and 7 hours) could therefore lead to potential avoidance of the right. This would significantly reduce the effectiveness of the policy. This option was therefore discarded.
- b. Respondents can however suggest a lower hours threshold notice in the option for 'other' and the government will take this into account when making a decision.

104. Option 2: An hours threshold of the equivalent of between 8 and 48 hours per week, and an option of 'other'

- a. This option provides the government scope to consult on a wide range of options. It would capture between 3.3 million and 28.6 million employee jobs.
- b. A baseline of 8 hours mitigates against avoidance behaviour of employers moving workers to contracts with a low number of hours. This is because a minimum of 8 hours per week represents a sizeable financial commitment for employers, making it difficult for an employer to realise the benefits of moving zero hours workers onto such contracts without having sufficient shift planning in place to be able to commit to offering these hours.
- c. The government is consulting on a broad range of options for the hours threshold to understand how different design choices affect coverage, targeting, proportionality and the risk of avoidance. At the lower end of the range, the entitlement is more tightly focused on workers most exposed to insecure work and one-sided flexibility. At higher thresholds, the consultation tests whether workers with more substantial guaranteed hours may still benefit where the timing of their shifts remains unpredictable, while also allowing government to assess the proportionality of extending coverage further beyond the groups for whom the evidence of detriment is strongest. Testing this full range allows government to assess how eligibility, coverage and potential avoidance risks vary across different options, so that the final design can be appropriately set to improve predictability where it is most needed without imposing disproportionate costs or capturing situations where existing arrangements already offer sufficient certainty.
- d. The inclusion of options for the threshold up to 48 hours should not be read as indicating that the evidence of one-sided flexibility is equally strong across the full range. Rather, it reflects the purpose of consultation: to test whether short-notice scheduling of shifts affects a broader set of working arrangements, and

³⁸ DBT Analysis of ONS Microdata

whether extending entitlement further up the distribution of guaranteed hours would be justified and proportionate.

Enforcement options

105. Enforcement has been considered as part of the longlisting process because the effectiveness of the right to reasonable notice will depend on whether workers and agency workers can understand and enforce their rights in practice. As with all reforms to employment rights, the zero hours measures need to be accompanied by effective enforcement if they are to achieve their intended policy objectives.

106. Option 1: Existing individual enforcement system

- a. The right to reasonable notice will be enforced through the existing individual enforcement system, with workers and agency workers able to challenge non-compliance through Acas early conciliation and, where necessary, the employment tribunal system. This reflects the nature of the right to reasonable notice.
- b. Unlike the right to payment for shifts cancelled, moved or curtailed at short notice, where events are measurable with a financial entitlement specified in legislation, reasonable notice requires a case-specific assessment of whether the notice provided was reasonable in the circumstances and, if not, what financial loss the claimant incurred as a result. This assessment should involve consideration of the presumption of reasonable notice, any factors set out in regulations, and any other relevant circumstances of the case.
- c. Enforcement issues are also relevant to agency workers, where responsibility may involve more than one party. The Act establishes joint responsibility between agencies and hirers for providing reasonable notice to eligible agency workers. This may create additional evidential and practical complexity, for example where the timing of notice depends on information flows between the hirer and the agency. The OA therefore also considers separate options for agency workers and recognises that the operation of the right may need to reflect the tripartite nature of agency work.

107. Option 2 (discarded): Fair Work Agency

- a. Due to the complexity which may come from enforcing the right to reasonable notice, enforcement through the employment tribunal system is considered more appropriate than enforcement through the Fair Work Agency. The Fair Work Agency is expected to be better suited to enforcing rights where non-compliance is more readily identifiable and where remedies are quantified in legislation, such as the right to short notice payment. By contrast, the right to reasonable notice is likely to involve more complex factual assessments, including whether the amount of notice given of a shift was reasonable in the circumstances, and how much financial loss the worker suffered as a result.
108. The complexity of enforcement has also informed the treatment of alternative eligibility approaches at the longlisting stage. For example, the sector eligibility approach could target sectors where the evidence of one-sided flexibility is strongest, but it would make enforcement more complex, including where workers or employers

operate across sectors. This was one of the reasons why sector-based eligibility was not taken forward.

- 109. An hours threshold is considered a clearer and more enforceable approach because it provides a more objective basis for determining whether a worker is in scope, while still allowing the consultation to test where the threshold should be set.
- 110. The government will work with partners to produce guidance, including public bodies such as Acas and stakeholders like employers, trade bodies, and trade unions, to ensure there is enough support for workers and employers to understand their new rights and obligations.

Exemptions from liability for failing to provide reasonable notice

- 111. The Act includes a power, in relation to agency work, to specify types of hirers that are not to be liable for failure to provide reasonable notice. In such circumstances, the agency worker would still be entitled to reasonable notice, but their agency would be solely responsible for providing it. This power was included in the Act as the government recognises that there may be some scenarios where it would not be appropriate for specific hirers to be liable where reasonable notice is not provided, for example, where a hirer is a vulnerable individual who receives or procures care through an agency.
- 112. The government considered whether the consultation should seek views on whether any categories of hirer should be exempt from liability for failing to provide reasonable notice. This would allow respondents to provide evidence on whether, in some circumstances, it would be appropriate for hirers not to be liable where reasonable notice is not provided.
- 113. At the longlisting stage, the government considered the following approaches to framing these consultation questions.

114. Option 1 (discarded): consult on specified exemptions

- a. Under this option, the consultation would have presented a list of specified types of hirers that could be exempt from liability and invited views on each.
- b. This option was not taken forward. A specified list at consultation stage would have risked constraining the evidence-gathering exercise by focusing respondents on exemptions identified in advance by government. Given that there could be a range of circumstances, this approach may not have captured the full range of relevant evidence.
- c. It may also have implied a degree of policy preference at a stage when the government's objective was to gather evidence on whether any exemptions are justified and, if so, on what basis. This option was therefore discarded.

115. Option 2: consult through a free text question

- a. Under this option, the consultation asks respondents whether any types of hirers should not be liable for failing to provide reasonable notice and, where relevant, to specify these in free text.

- b. This option was taken forward. It allows respondents to identify relevant categories of hirers or circumstances without being limited by a pre-determined list, and should support the government to gather a broader and more informative evidence base without closing off options without evidence.

Non-regulatory options

116. Non-regulatory options were considered at the inception of this policy (see published impact assessment³⁹) but were discarded in favour of legislation in the form of the Act, as they would not achieve the intended outcomes of the policies under consideration. This consultation and the policy options considered within are a continuation of this process, seeking views on how the rights in the Act should be implemented. Non-regulatory options are therefore not considered here.
117. Further reasons for not considering non-regulatory options are that non-legislative approaches such as guidance are unlikely to have enough ‘bite’ to protect vulnerable workers facing detriment, as there would be little incentive for employers to change their behaviour. While some employers want to provide greater security and fairly share the risks of unpredictable demand, there is a commercial incentive for other employers to transfer risk to workers unfairly as demonstrated by the status quo of one-sided flexibility evidenced. Only regulation will achieve a level playing field for employers and ensure workers receive reasonable notice of their shifts. Alternatively, an outright ban on variable contracts, such as zero hours contracts, would be ill-targeted and unnecessarily burdensome since there are many cases where flexibility is genuinely beneficial to worker and employer.

6. Description of shortlisted policy options carried forward

118. This section analyses the options that were not discarded at the longlisting stage and provides qualitative discussion of why each option has been carried forwards in the OA and consultation. As set out in the Implementation Roadmap⁴⁰, the government is consulting on these measures now to ensure that decisions are made in conjunction with stakeholders and that we get the detail right.
119. This OA does not present a preferred way forward across the powers being considered in this consultation. This approach has been taken because of the government’s public commitments to consult stakeholders widely prior to taking decisions around how the zero hours measures should be implemented in regulations. The government is committed to getting the detail right, ensuring that reforms ensure a baseline of security for workers and agency workers, support growth, and are proportionate for employers, hirers and agencies. In light of this, the government is consulting on a range of options across the parameters to provide stakeholders with considerable scope to feed in their views.
120. The government will analyse the results of consultation, as well as views expressed in engagement with stakeholders during the consultation period, and existing and upcoming sources of data, to come to an informed decision around preferred

³⁹ [Impact assessment: ZHCs - Right to Reasonable Notice of Shift Patterns and Payment for Shifts Cancelled, Moved or Curtailed at Short Notice](#), DBT, 2024

⁴⁰ [Implementing the Employment Rights Bill Roadmap](#), DBT, 2025

approaches. The government's preferred approach will then be set out in the consultation response.

121. This section provides an overview of the shortlisted options being carried forward in the consultation. The annex contains a more detailed breakdown of the qualitative and quantitative impacts of the range of options, including the number and characteristics of workers and employers potentially affected.
122. The same features that determine where the greatest impact of the right to reasonable notice are expected to arise also determine where unintended consequences are most likely to occur. In particular, the policy may affect the ability of employers, hirers and agencies to respond to genuinely unpredictable demand, the use of agency workers and other variable-hours arrangements, and the availability of short-notice work for workers who value that flexibility. These risks are considered in the non-monetised costs and risks section and will be tested through consultation alongside the evidence on worker detriment, coverage and proportionality.
123. In assessing the options, the government has considered the extent to which they may affect workforce planning, employer responsiveness to short-term changes in demand, the use of agency workers and other temporary staffing models, hiring decisions, worker access to forms of work valued for their flexibility, and incentives for employers, hirers and agencies to alter contracts or scheduling practices in order to reduce exposure to the policy. These risks are expected to vary according to the hours threshold, the presumption of reasonable notice, and the factors that determine when shorter notice may still be regarded as reasonable. The consultation is intended to test these risks directly, alongside evidence on worker detriment, coverage and proportionality, so that final policy parameters can be chosen in a way that improves predictability for workers without creating disproportionate adverse effects on labour market functioning or business operations.

Presumption of reasonable notice

124. The options for the presumption of reasonable notice for those directly employed with their employer carried forwards to the shortlist are:
- a. 1 week
 - b. 2 weeks
 - c. 3 weeks
 - d. 4 weeks
 - e. 'Other'
125. The options considered for the presumption of reasonable notice for agency workers are:
- a. Less than 5 days (please specify)
 - b. 5 days
 - c. 1 week
 - d. 2 weeks
 - e. 3 weeks

- f. 4 weeks
- g. 'Other'

126. These options can be assessed as a sliding scale. The longer the timeframe, the more predictability and certainty should be granted to eligible workers and agency workers overall, and the more difficult it will likely be for employers, hirers and agencies to react to changing demand and other unpredictable circumstances. However, the impact of the presumption of reasonable notice should not be overstated as it only acts as a starting point to determining what notice should be considered reasonable and can be rebutted. For example, if 2 weeks' notice is reasonable in a certain case, the tribunal should find that to be the case regardless of whether the presumption is set at 1 week or 4 weeks (albeit who the burden of proof is on would differ depending on whether the presumption is 1 week or 4 weeks). However, even if less notice than the presumption would be reasonable in a certain case, where the presumption is set is still likely to influence employer behaviour. Therefore, workers may, as a result of the policy, still see an improvement in the notice given to them, even if not strictly required by the legislation.
127. According to DBT (2026)⁴¹ 40% of workers currently in insecure work are usually offered their shifts less than a week in advance. Further evidence from the LWF⁴² (2023) shows that around half (54%) of workers whose job involves variable working hours or shift work currently receive less than a week's notice of shifts at a minimum, so setting out that 1 week's notice is presumed reasonable should improve outcomes for many workers.
128. Setting out that two weeks' notice is presumed reasonable should represent a large improvement on current practice. According to DBT (2026) 63% of workers currently in insecure work usually receive less than 2 weeks' advance notice of shifts. Further evidence from LWF shows that 73% of shift workers currently receive 2 weeks' or less notice at a minimum, implying that a presumed reasonable notice period of 2 weeks could be an improvement for nearly three quarters of workers. This option has also been pursued internationally: this is the level of notice required under similar legislation in a number of US states.
129. Setting out that four weeks' notice is presumed reasonable should provide even greater predictability and certainty to workers. It should give workers more time to plan transport and childcare, and allow them to plan further ahead. This option could require significant organisational change in demand forecasting and workforce planning. 4 weeks' notice is the amount required under the LWF's living hours accreditation scheme⁴³. Estimates from DBT (2026) show that 77% of workers currently in insecure work usually receive less than 4 weeks' advance notice of their shifts. Furthermore, LWF (2023) show that 82% of workers whose hours vary currently receive less than 4 weeks' notice of shifts as a minimum, so this option could improve outcomes for the majority of workers who experience variable working hours.
130. For these questions in the consultation, the government has included an option for stakeholders to present views outside of the options explicitly set out through an

⁴¹ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

⁴² [Living Wage Foundation Data Tables](#), Living Wage Foundation, 2023

⁴³ [Living Hours Accreditation](#), Living Wage Foundation

‘Other’ option. This allows stakeholders to make their case as to why a different approach may be better alongside a range of explicit options.

131. As stated throughout this OA, the government retains a power to set a different presumption of reasonable notice for agency workers than for directly employed workers. Alongside the options of 1 week, 2 weeks, 3 weeks and 4 weeks which are considered for both directly employed and agency workers, the consultation considers the additional options of 5 days and less than 5 days for agency workers, with respondents that choose less than 5 days being asked to specify what their preference would be. These options are added to acknowledge the reality that employers often use agency workers to respond to last-minute changes in demand. Agency workers themselves often suggest that they choose agency work because of the flexibility and work-life balance that it provides, meaning that they can pick up work at late notice where it is helpful to them, and allows them to be more flexible in their personal lives. These options are unlikely to create incentives to move towards agency work based models, and still provide more security than many agency workers currently receive.

Evidence base

Presumption of reasonable notice

132. There are three main evidence sources to determine how much notice directly employed workers currently receive of shifts: DBT (2026)⁴⁴ commissioned research delivered by Ipsos which asked workers currently in insecure work how far in advance their working hours or shifts are usually offered; Living Wage Foundation (2023) research which asks workers the minimum notice that they receive for their shifts, working hours or work schedules, which we break down into those whose job involves variable working hours/shifts⁴⁵; and CIPD (2022) survey which asked employers that made use of zero hours contracts the notice they usually give those workers of their work schedules.⁴⁶ The key findings are:

- a. The LWF (2023) research finds that 15% of workers whose hours vary received less than 24 hours' notice as a minimum, 54% received less than a week's notice at a minimum, 73% received less than two weeks' notice at a minimum, and 82% received less than four weeks' notice at a minimum.
- b. DBT's (2026) research finds that 4% of workers currently in insecure work usually receive notice of their working hours or shifts on same day. The figures are 40% for one week or less, and 77% for less than four weeks.
- c. CIPD's (2022) research finds that 9% of employers that made use of zero hours contracts usually give those workers 1 to 3 days' notice. The figures are 45% for a week or less, and 77% for a month or less.

133. The specific figures vary between sources, for example, due to different target populations, questions asked, and timeframes. However, there are some common trends, with around half receiving less than a week's notice in each survey.

⁴⁴ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

⁴⁵ [Living Wage Foundation Data Tables](#), Living Wage Foundation, 2023

⁴⁶ [Zero-hours contracts: Evolution and current status](#), CIPD, 2022

134. Requiring employers to give reasonable notice will reduce the flexibility with which employers currently operate as we expect notice of shifts to increase on average. We anticipate that this will incentivise employers to invest in improved workforce planning processes to meet their obligations. There is evidence that these improvements lead to productivity gains for employers. A 2019 CIPD survey of employers⁴⁷ finds that 8% of employers responded stating a right to reasonable notice would encourage them to invest in technology to improve work scheduling, 10% stated it would mean they provide better training to managers in charge of setting shift patterns, and 17% suggested that their workers would feel more valued from the change.
135. In a 2022 CIPD survey⁴⁸, 64% of employers who used zero hours contracts reported using these to manage fluctuations in demand and 35% to provide coverage for staff absences. Other common response options included to provide flexibility for the individual (46%) and due to uncertain employer conditions (14%), or as a 'broader strategy to keep costs down' (16%).
136. For agency workers specifically, the 2025 ALP survey of approximately 2,400 agency workers⁴⁹ suggested that the status quo for notice provided to these workers of a work assignment was considerably shorter on average than those directly employed. 26% of workers surveyed responded that they received less than 12 hours' notice, and a further 28% between 12 and 24 hours. Only 23% of respondents stated that they received a week's notice or more of work assignments.

Factors affecting reasonable notice

137. Alongside the presumption of reasonable notice, the Act creates a power to set out factors that employment tribunals must take into account when determining whether 'reasonable' notice has been given in a particular case. The consultation on the zero hours measures invites insights on the circumstances in which longer or shorter notice should be required.
138. Workers in insecure work who received 1 day's notice or more for shifts in the DBT (2026)⁵⁰ research were asked how often they typically receive less notice than normal. Around one in three (35%) sometimes receive less notice, whilst one in ten (10%) frequently did. These workers in insecure work who received less notice than usual were then asked for the reasons why. 36% reported they had been given less notice than usual due to a colleague calling in sick or having an emergency, 29% stated a sudden increase in workload or demand, 26% stated a colleague did not turn up, 21% stated it was due to errors or last-minute changes in scheduling and 20% stated it was due to a lack of planning by their employer.
139. Among those who said that they received less than 4 weeks' notice as a minimum in the LWF survey⁵¹, 19% reported that this was because of increase in workload for employer and 30% reported that this was to cover another worker who could not cover their shift. The survey also included other responses such as that the working rota/schedule was agreed with less than 4 weeks' notice (24%), extra shifts were offered at the last minute (28%), and overtime was paid (34%) or unpaid (8%).

⁴⁷ [CIPD Response to Good Work Plan, One-Sided Flexibility](#), CIPD, 2019

⁴⁸ [Zero-hours contracts: Evolution and current status](#), CIPD, 2022

⁴⁹ [Agency Worker Survey](#), ALP, 2025

⁵⁰ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

⁵¹ [Living Wage Foundation Data Tables](#), Living Wage Foundation, 2023

140. Similarly, in a survey conducted by the CIPD (2019) in response to the government consultation on one-sided flexibility⁵², respondents were asked what impact the introduction of a right to reasonable notice of work schedules would have on their organisation. 29% suggested that it would reduce their ability to respond to last-minute changes such as staff absence, while 21% suggested it would reduce their ability to address short-term fluctuations in demand for their goods and services.

141. The impacts of the right to reasonable notice on employers, hirers, agencies, workers and agency workers will depend on both the presumption of reasonable notice and on the factors to be considered when determining whether notice was reasonable in the circumstances of each case – and also on the interaction between the presumption and the factors.

Hours threshold

142. The hours threshold options which will be carried forward into the consultation (for both directly engaged and agency workers) are:

- a. 8 hours per week
- b. 12 hours per week
- c. 16 hours per week
- d. 20 hours per week
- e. 24 hours per week
- f. 28 hours per week
- g. 32 hours per week
- h. 36 hours per week
- i. 40 hours per week
- j. 44 hours per week
- k. 48 hours per week
- l. Other (please specify)

143. The selection of hours threshold options from 8 hours per week upwards reflects the need to prevent regulatory circumvention, where employers could comply by guaranteeing a negligible amount of hours. 8 hours has been selected as the lowest option carried forward to consultation as this represents a sizeable financial commitment per week for employers, thereby limiting the potential benefits of avoidance. The range of options from 8 to 48 hours per week is designed to elicit views from consultees on how best to ensure meaningful security for workers, recognising that even those with guaranteed hours can face short notice of shift schedules.

144. The government is concerned about potentially interfering unnecessarily with overtime shifts for workers who already have a substantial number of guaranteed hours and a corresponding level of income security. The government is conscious that the intention of the Act is to provide the right to reasonable notice to zero hours workers and similar workers. The evidence of one-sided flexibility is strongest for

⁵² [CIPD Response to Good Work Plan, One-Sided Flexibility](#), CIPD, 2019

options at the lower end of the hours threshold range. The consultation tests whether workers with higher guaranteed hours also experience material detriment from short-notice scheduling of shifts, and whether extending coverage further would remain targeted and proportionate. This is particularly relevant to the hours threshold for eligibility for the right to reasonable notice, where options between 8 and 48 hours per week are included to test whether workers with more guaranteed hours also experience unpredictability in the timing of their work, and whether extending coverage to those workers would be proportionate.

145. Given the range of thresholds, these options have been designed to balance against the objectives set out in section 3, allowing stakeholders to feed in views across many options. Table 2 in the evidence base section below outlines the potential number of workers in scope of each option.
146. Setting the hours threshold at 8 hours corresponds to approximately one full working day for many workers. At this threshold, around 3.3 million employee jobs would potentially be in scope. At this level, we expect workers in scope to be the most vulnerable to one-sided flexibility and insecure work, meaning that this option is likely to be most targeted at those who are most vulnerable in the labour market.
147. Including options above 8 hours allows the consultation to test where the threshold should be set across a wide range of working patterns, including some part-time and full-time contracts. Workers with substantial guaranteed hours may face uncertainty over when their shifts are to be worked; the wide range will allow stakeholders to provide evidence to help inform where the right remains targeted and proportional. The highest of the specific options in this consultation and OA, 48 hours per week, recognises that even those on part-time and full-time contracts may still face last-minute notice of shifts, with the Resolution Foundation finding, in Figure 1 in the evidence base section below, that even those who regularly work over 46 hours per week still face anxiety about sudden changes in their working hours.
148. Respondents to the consultation are provided with a response option of 'Other'. This is intended to ensure that the consultation collects a full range of views. Given the open-ended nature of this response option, we do not explicitly cover thresholds below 8 hours, above 48 hours or between the hours increments per week included in the consultation in our main assessment.
149. As for directly engaged workers, the government intends to exclude agency workers from the right to reasonable notice where they are already contractually guaranteed hours (for example, by their agency) over an hours threshold, to be specified in regulations. While the options for the hours threshold in the consultation are the same for agency workers as directly employed workers, the government is consulting on two options for how the hours threshold could be applied to agency workers. These would exclude agency workers from the right to reasonable notice where:
- a. they already have a contract guaranteeing hours above the threshold (for example, by their agency) regardless of which hirer these hours are to be worked for; or
 - b. they already have a contract guaranteeing hours above the threshold (for example, by their agency) specifically in respect of work to be done for one hirer.

Evidence base

150. The higher the hours threshold, the more workers and agency workers will be in scope. This would increase both the costs and benefits of the policy. The greater the proportion of the workforce that must be provided with reasonable notice, the less flexibly employers can operate.
151. There is no single, robust data source of the number of guaranteed hours across the labour market. Therefore, we use a proxy measure, based on existing labour market data sources, which has some limitations. In the Bill stage impact assessment⁵³, we estimated that around 2.4 million workers could be impacted by the zero hours contract rights. This corresponds to an estimate using the January to March 2024 Labour Force Survey⁵⁴ of those on zero hours contracts, agency workers, and those who were paid hourly and had hours which varied week-by-week. This estimate captured those who were most likely to be impacted by the zero hours measures (due to having varying hours) but was not exhaustive of all those who might be eligible, as it did not correspond to a specific hours threshold.
152. Within this analysis, we use the 2025 Annual Survey of Hours and Earnings⁵⁵ (ASHE) instead of using updated LFS estimates. This decision has been taken as it is believed that it better represents the number of zero hours jobs and those with hours under each hours threshold. There are several reasons for this. Firstly, the LFS (self/worker reported) identifies someone on a zero hours contract if they are 'employed' and provide some hours of work in the reference week, whereas ASHE (which is employer reported) reports the number of zero hours contracts, even if they do not provide any work in a given week. Likewise, not everyone on a zero hours contract will realise that their working hours are not guaranteed, particularly where they are working fairly regular hours. Similarly, with non-zero hours work below each threshold, ASHE provides an employer-reported estimate of hours worked at a basic rate, whereas LFS worker reported hours worked are less reliable. As such, we believe ASHE better represents the number of workers potentially in scope of these measures.
153. Table 2 sets out our estimates of the number of employee jobs in ASHE in 2025 by whether their basic hours fall under different thresholds. This will include agency workers on these contracts; however, we cannot specifically isolate these workers. While we consider that ASHE is a more robust dataset than LFS for the purposes of our analysis (as set out in the previous paragraph), there are still some limitations. Most importantly, basic hours are not necessarily guaranteed. This means that we are likely under-estimating the number of employee jobs that are captured by each threshold. For example, an employee could be guaranteed 5 hours per week and have been paid 10 hours per week at a basic rate in the reference period for ASHE. In addition, it is worth noting that ASHE estimates the number of employee jobs (rather than workers). While we consider this to be more robust for the purposes of an assessment of economic impacts, this will over-estimate the number of workers in-scope as some workers will have multiple jobs. Finally, ASHE only includes

⁵³ [Impact assessment: ZHCs - Right to Reasonable Notice of Shift Patterns and Payment for Shifts Cancelled, Moved or Curtailed at Short Notice](#), DBT, 2024

⁵⁴ DBT Analysis of ONS microdata

⁵⁵ DBT Analysis of ONS microdata

employee jobs paid through PAYE. This means that ASHE will exclude individuals paid outside of PAYE that are still in scope of the policy.

Table 2: Potential number of employee jobs in scope under each hours threshold option

Basic Hours	Number of employee jobs (millions)
8 hours	3.3
12 hours	3.9
16 hours	4.8
20 hours	5.9
24 hours	7.2
28 hours	8.2
32 hours	9.7
36 hours	14.4
40 hours	26.2
44 hours	27.9
48 hours	28.6

154. Eligibility is determined by a worker’s contractual arrangements, rather than whether the worker ultimately works shifts that engage the right in practice. As a result, higher hours thresholds may include workers who meet the contractual eligibility criteria but whose working arrangements mean they are unlikely to experience short-notice shift scheduling.

155. Furthermore, the Act allows for employers (or hirers/agencies) and unions to collectively agree to modify or opt out of the zero hours measures. This could also reduce the number of workers in scope.

156. As set out previously, the government intends to provide that agency workers on zero hours contracts or contracts with guaranteed hours at or below a threshold to be specified in regulations are in scope of the right to reasonable notice. The Act places joint responsibility on the agency and end hirer to provide reasonable notice of shifts to eligible workers.

157. DBT’s Agency Worker Survey⁵⁶ (2021) provides some insight on hours that workers had agreed to work with hirers, although there is no clarity on whether these are contractually agreed either from the perspective of the hirer or between the agency and the agency worker. Agency worker respondents to the DBT survey split relatively evenly between those who had agreed to work 35 hours or less per week excluding overtime with their main hirer (34%), those that had agreed to work 36 or more hours a week (29%) and those that indicated that they did not have agreed hours with the hirer (36%).

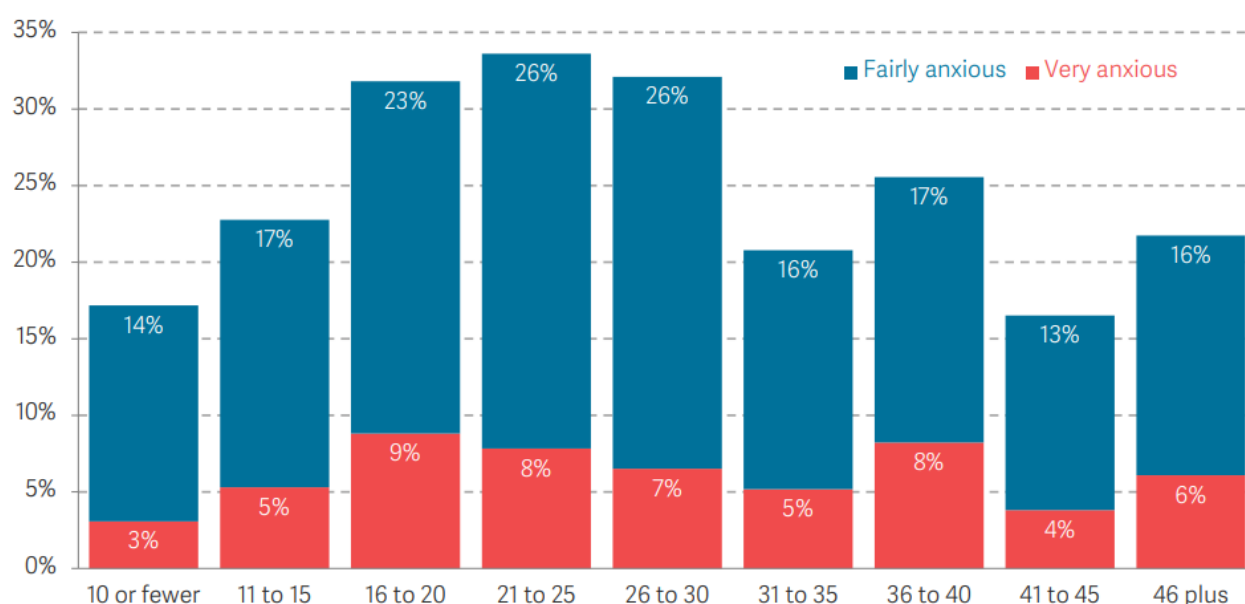
158. The hours threshold also has direct relation to the benefits of the policy. Analysis by the Resolution Foundation in Low Pay Britain (2025)⁵⁷, using evidence from the Skills and Employment Survey, as shown by Figure 1, suggests that workers who usually work up to 25 hours per week are just as likely as workers who usually work fewer hours to face anxiety about unexpected changes to their hours. This

⁵⁶ [Agency Worker Survey](#), DBT, 2021

⁵⁷ [Low Pay Britain](#), Resolution Foundation, 2025

demonstrates that concerns arising over shift scheduling remain even among those working more hours. This is relevant in indicating that unpredictability in the timing of work can arise across a broad range of working patterns. However, usual hours worked and contractually guaranteed hours are conceptually distinct. For example, an average worker on a zero hours contract usually works around 23 hours per week.⁵⁸ This worker, on a zero hours contract, would be in-scope of the hours threshold under every option for the hours threshold in the consultation because the threshold relates to hours that are contractually guaranteed, whereas a worker on a zero hours contract does not have any hours contractually guaranteed.

Figure 1: Anxiety about unexpected changes to hours worked, by usual number of hours worked per week, UK, 2017



NOTES: Includes any paid or unpaid overtime.

SOURCE: RF analysis of 2017 Skills and Employment Survey.

Exemptions for specified hirers from the duty to provide reasonable notice

159. The government recognises that it may not be appropriate for certain types of hirers to be held liable for breaches of the duty to provide reasonable notice. For instance, this could be the case where the hirer is a vulnerable individual who receives or procures care through an agency, where instead the agency might be in a better position to hold liability for any breaches. The Act enables Ministers to specify in regulations certain types of hirers that will not be liable for a breach of the duty to provide an agency worker with reasonable notice.

160. Regarding whether any types of hirers should not be liable for failing to provide reasonable notice, the consultation options are:

- a. Yes, certain types of hirers should not be liable for failing to provide reasonable notice
- b. No, all types of hirers should be liable for failing to provide reasonable notice

⁵⁸ [People in employment on zero hours contracts](#), ONS, 2026

161. For respondents who choose the option of ‘yes, certain types of hirers should not be liable for failing to provide reasonable notice’, the consultation provides space for free text responses for respondents to specify what types of hirers should not be liable, and to explain their answers. This approach will allow us to gather a wide range of evidence from stakeholders.
162. Introducing exemptions for certain hirers would reduce the administrative and legal burden on those hirers, particularly where they may not be well placed to manage compliance. However, responsibility for providing reasonable notice would then fall entirely on agencies, increasing their operational and legal obligations and potentially leading to higher costs as they strengthen processes to avoid breaches. For workers, the impact should be minimal, as the right to reasonable notice would still apply: the change would affect who holds the duty rather than the level of protection workers receive.

Impact on small and micro businesses

163. It is likely that small and micro businesses may be disproportionately impacted by the policy. This may be because they often lack dedicated HR functions to understand and implement the changes, as well as ensure ongoing compliance with them⁵⁹. Additionally, small and micro businesses are likely to be more exposed to demand fluctuations due to their reliance on flexibility, and their weaker financial resilience and ability to absorb costs, compared to larger businesses, shown by lower cash reserves⁶⁰.
164. However, the government would not be able to exclude small and micro businesses from the obligation to provide reasonable notice of shifts without a significant adverse impact on the effectiveness of the policy and its objectives. This is because a significant proportion of variable hours workers work in small and micro businesses, and so an exemption would significantly undermine the ability of this policy to address the possibility of employers exploiting their workers on variable hours contracts through one-sided flexibility. Likewise, there is the risk of creating a ‘two-tier’ labour market, as small and micro businesses would avoid the costs associated with improving security and predictability of those on variable hours contracts, distorting cost-competitiveness at the expense of medium and large businesses, while also creating a disincentive for smaller firms to grow and therefore become in scope of the policy. Furthermore, with an exemption, there would be a risk of creating an incentive for medium and large businesses to subcontract small and micro businesses to provide services as a way to avoid this legislation.
165. Paragraphs 282 to 292 in the Wider Impacts section provide further discussion on why small and micro businesses may be disproportionately impacted, and why an exemption would undermine the policy objectives.

⁵⁹ [‘Do small businesses in the UK need an HR department?’](#), Evalu-8

⁶⁰ [‘Business insights and impact on the UK economy’](#), ONS, Wave 154, April 2026

7. Regulatory scorecard

166. As set out in section 5, this options assessment and accompanying consultation document does not set out preferred options across any powers consulted on. However, all powers underpin a regulatory change set out in the Employment Rights Act 2025, and how these powers are used will determine the scope and impact of that regulation. In the absence of preferred options for how the powers being consulted on will be used, this section presents a range of impacts based on the lowest and highest impact options which are explicitly considered in the consultation. These impacts are explored in more detail in the annex.

Part A: Overall and stakeholder impacts

(1) Overall impacts on total welfare

Impact	Description of impact	Directional rating
Description of overall expected impact	The overall impact of the policy is uncertain as it depends on the options chosen after consultation. This policy represents a transfer of risk from eligible workers (and eligible agency workers) facing insecurity because their hours are unpredictable onto their employers (or hirers/agencies). This spreads the benefits and risks of flexibility more evenly between the parties. This represents significant benefits for workers in terms of increased predictability, income security and wellbeing, but at a cost to employers, hirers and agencies. At a societal level, the impacts to employers (and hirers/agencies) and workers will net off against each other to some degree. The extent to which the policy will provide a net positive will depend upon (i) how well targeted the policy is to maximise the security and welfare benefits to workers while minimising the situations where employers (or hirers/agencies) are expected to call workers in when they do not have sufficient work or are unable to call workers in for shifts at short notice where there is genuinely unpredictable demand; and (ii) the extent to which the wellbeing effects for workers feed through into productivity improvements for employers. For workers, this legislation is expected to reduce the detriment arising from last-minute scheduling of shifts. This should improve wellbeing by increasing predictability and reducing disruption to personal planning. For workers on variable hours contracts, it	Uncertain Based on all impacts (incl. non-monetised)

	may also reduce unexpected costs and improve confidence in planning future income. The strength and nature of these gains are likely to vary across the hours threshold range, with evidence strongest for workers in insecure work and on fewer guaranteed hours. For employers, hirers and agencies, the primary costs will be felt in the form of workforce planning, and administration costs to mapping workers further hours in advance. Likewise, there will be a decrease of flexibility for employers, hirers and agencies where they previously regularly waited until the last minute to offer hours of work. This may be particularly problematic where demand is inherently unpredictable. However, there may be a benefit to employers associated with creating a level playing field, with employers using variable hours contracts no longer able to undercut competitors by forgoing proper and fair workforce planning.	
Monetised impacts	With the current evidence base, the only monetisable impacts are the business administration costs. These include familiarisation and implementation costs for business, alongside the ongoing costs to employers, hirers and agencies of workforce planning to provide reasonable notice. To provide an indicative range of the Net Present Social Value (NPSV) of this measure, and given this OA does not provide government preferred options, we model two scenarios based on the range of policy options in the consultation. The NPSV figures represent the difference between the total monetisable social benefits and total monetisable social costs. This is calculated over a standard 10-year appraisal period, as per HMT Green Book guidance. The figures use 2025 as the price base year and 2027 as the present value base year in which costs and benefits start from. If the presumption of reasonable notice were set at 1 week and the hours threshold were set at 8 hours per week, we estimate an indicative NPSV of -£2.0 billion. To provide an order-of-magnitude on a 'per year' basis, this corresponds to around -£200 million per year when averaged over a 10-year period.	Negative

	If the presumption of reasonable notice were set at 4 weeks and the hours threshold were set at 48 hours per week, we estimate an indicative NPSV of -£10.0 billion. To provide an order-of-magnitude on a 'per year' basis, this corresponds to around -£1.0 billion per year when averaged over a 10-year period. The NPSV figures should be treated with some uncertainty and caution. It is important to note some limitations when interpreting these figures. First, the main driver of the monetised NPSV is the cost to business of workforce planning. This cost is subject to a number of uncertain assumptions, particularly at the top end of the range. This range should therefore be treated as indicative only. Second, we expect the costs presented in this OA to be subject to some double counting when considering the wider package of measures. For example, workforce planning costs have been estimated in this OA and those for the right to guaranteed hours and the right to payment for shifts cancelled, moved or curtailed at short notice. While the specific calculations differ (for example, due to variations in the employers affected), we expect there could be significant overlap. Third, we are unable to monetise the policy benefits (such as the improvements in wellbeing and productivity, and a more level playing field for employers who already have adopted these practices) due to limitations to the evidence base. As a result, the NPSV represents a partial assessment, focusing on the policy costs. It is important to view the NPSV in the context of the qualitative analysis of the policy benefits set out in this OA and supported by a range of survey data and research.	
Non-monetised impacts	Overall, the non-monetised impacts of this policy are uncertain at this stage. This policy represents a transfer of risk from eligible workers (and eligible agency workers) facing insecurity because their hours are unpredictable onto their employers (or hirers/agencies). This spreads the benefits and risks of flexibility more evenly between the parties. This represents	Uncertain

	significant benefits for workers in terms of increased predictability, income security and wellbeing, but at a cost to employers, hirers and agencies. At the same time, employers could benefit from the increased formalisation of working arrangements and increased incentives for workers to stay with employers, potentially leading to improvements in productivity. Likewise, good management practice through improved workforce planning may contribute to better productivity for employers. These impacts are expected to be secondary to the more direct impact on wellbeing and flexibility. Due to limitations in the evidence base, we are unable to monetise the policy benefits. The evidence base for these benefits is supported by a range of survey data and research set out in this OA. In addition, a significant non-monetised impact of this policy will be a reduction of flexibility for employers, hirers and agencies. At lower hours thresholds, this impact is likely to be felt most clearly among employers with staffing models reliant on variable hours and short-notice staffing. At higher thresholds, the impact may broaden to a greater scope of employers, reducing discretionary scope to amend shifts for workers with more substantial guaranteed hours. Whether this benefit to workers outweighs the cost to employers, hirers and agencies (loss of flexibility and administrative cost) will depend on how well targeted it is at those instances where workers are facing detriment and the impact of the measures in instances of genuinely unpredictable demand.	
Any significant or adverse distributional impacts?	Yes. The distributional impacts will depend on the scope of the policy, and are therefore uncertain at this stage. At lower and mid-range hours thresholds for the right to reasonable notice (up to and including the 28 hours threshold, as this is the midpoint between the lowest and highest options considered), workers and employers potentially in scope are more concentrated in sectors associated with variable-hours and insecure work, including retail, hospitality, and health and social care; with a disproportionate impact also felt by the recruitment sector. Likewise,	Uncertain

	micro and small businesses will face greater relative impacts than medium and large business. At these hours thresholds, workers potentially in scope are also more concentrated among certain groups, including younger (aged 16 to 24) workers, women, disabled workers, and those from some ethnic minority backgrounds. As hours thresholds rise further towards 48 hours, coverage of the right broadens across the economy. We overall expect the impacts on workers and employers to primarily occur where there is evidence of one-sided flexibility, short-notice scheduling of shifts and insecurity of hours and income. The existing evidence base indicates that this includes low-paid workers, and workers in some form of insecure work (such as zero hours contracts) or sectors where such practices are most common. However, employers may still incur additional administrative costs (for example, setting up systems to ensure notice of shifts provided to staff is compliant) even if they are not required to change the notice provided.	
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(2) Expected impacts on employers, hirers and agencies

Impact	Description of impact	Directional rating
Description of overall business impact	The overall impact on employers, hirers and agencies of the right to reasonable notice of shifts is expected to be negative. This is primarily due to the rebalancing of risk and flexibility of these forms of contract between worker and employer (or hirer/agency), meaning that employers (or hirers/agencies) are taking on increased risks associated with employment, and the associated costs with administration of this right and the workforce planning associated. There will be a reduction of flexibility for some employers, hirers or agencies which may be particularly problematic where demand is inherently unpredictable, and employers may face greater difficulty in flexing their workforce up or down at short notice. This could impact business output in some scenarios. As a result of improvements in worker welfare and incentives for better planning of shifts, there is	Negative

	potential for productivity improvements, which would drive benefits to employers. Similarly, some employers will already be operating in ways that comply with this legislation, e.g. providing reasonable notice of shifts. This will allow these employers to compete on a level playing field with those that currently transfer excessive risk to their variable hours workers.	
Monetised impacts	The main monetisable impacts on employers are linked to the familiarisation, implementation and workforce planning costs associated with the legislation. In the context of agency workers, these costs may be incurred by both agencies and end hirers, as both may need to adapt their processes. To provide an indicative range of the Equivalent Annual Net Direct Cost to Business (EANDCB) of this measure, and given this OA does not provide government preferred options, we model two scenarios based on the range of policy options in the consultation. The figures use 2025 as the price base year and 2027 as the present value base year in which costs and benefits start from. If the presumption of reasonable notice were set at 1 week and the hours threshold were set at 8 hours per week, we estimate an indicative EANDCB of £240 million per year over a 10-year appraisal period. If the presumption of reasonable notice were set at 4 weeks and the hours threshold were set at 48 hours per week, we estimate an indicative EANDCB of £1.2 billion per year over a 10-year appraisal period. The wide range reflects the range of options in the consultation. The main driver of the monetised EANDCB is the cost to business of workforce planning. This cost is subject to a number of uncertain assumptions, particularly at the top end of the range. This range should therefore be treated as indicative only. In addition, we expect the costs presented in this OA to be subject to some double counting when considering the wider package of measures. For example, workforce planning costs have been estimated in this OA and those for the right to	Negative

	guaranteed hours and the right to payment for shifts cancelled, moved, or curtailed at short notice. While the specific calculations differ (for example, due to variations in the employers affected), we expect there could be significant overlap.	
Non-monetised impacts	The major non-monetised impact is a reduction of flexibility and increased risk of not meeting consumer demand beyond the costs captured by increased workforce planning, as employers, hirers and agencies are no longer able to so easily flex up their workforce. We know that employers use variable hours contracts where their demand is difficult to effectively predict. If the viability of these business models is affected by these changes, there could be a loss in output or an increase in operating costs. At higher hours thresholds, the policy may also impact business models where workers have more hours guaranteed, but nonetheless rely on some flexibility. Conversely, there may also be a benefit to employers as higher worker wellbeing and better workforce planning could lead to productivity gains. There may also be a benefit to employers associated with creating a level playing field, with employers using variable hours contracts no longer able to undercut competitors by forgoing proper and fair workforce planning.	Negative
Any significant or adverse distributional impacts?	Yes. The distributional impacts on employers, hirers and agencies will depend on the scope of the policy, and are therefore uncertain at this stage. At lower and mid-range hours thresholds for the right to reasonable notice (up to and including the 28 hours threshold), workers and employers potentially in scope are more concentrated in sectors associated with variable-hours and insecure work, including retail, hospitality, and health and social care; with a disproportionate impact also felt by the recruitment sector. Likewise, micro and small businesses will face greater relative impacts than medium and large business. Some sectors rely on business models where they keep a pool of flexible workers to meet demand. The right to reasonable notice of shifts may reduce the viability of these business models due to the increase in costs associated with this policy (alongside the right to guaranteed hours and right	Uncertain

	to payment for shifts cancelled, moved or curtailed at short notice). It is estimated that there are around 1 million temporary agency workers in the UK⁶¹. Due to the inclusion of some agency workers, this policy could have an impact on the operation of the agency work model and thus agencies in the UK. These agencies may need to adapt their business practices to remain viable, given the stop gap nature of many hirers' use of agency workers. However, the policy will positively affect employers that already give reasonable notice of shifts and are currently being undercut. At the upper end of the hours threshold in the consultation (48 hours), coverage of the right broadens across the economy. We expect the impacts would likely be felt most in sectors with variable / unpredictable demand. However, businesses may still incur additional administrative costs (for example, setting up systems to ensure notice of shifts provided to staff is compliant) even if they are not required to change the notice provided, and the policy may impact business models where workers have more hours guaranteed, but nonetheless rely on some flexibility.	
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(3) Expected impacts on households

Impact	Description of impact	Directional rating
Description of overall household impact	This policy is expected to directly and positively impact workers, through improving their security and predictability at work, resulting in wellbeing improvements. This policy is aimed at transferring risk from workers to employers (or hirers/agencies), and vice versa with the benefits of flexibility. Similarly, we expect this policy will incentivise better workforce planning of shifts for employers, and ensure that workers have recourse to recoup any costs to them where notice is not reasonable. This should ensure that workers are given greater advance notice of any shift patterns, allowing them to make alternative arrangements or find work with a different employer. This should mean that workers	Positive

⁶¹ [Voice of the Worker](#), REC, 2024

	will face fewer costs associated with last minute changes in their work schedule, such as higher travel costs or late notice childcare.	
Monetised impacts	Due to limitations to the evidence base, we are unable to monetise the impact on workers. The evidence base for the impact on workers is supported by a range of survey data and research set out in this OA. The main benefits to workers of the right to reasonable notice relate to improvements in wellbeing, and improved ability to plan finances. Estimates from the Living Wage Foundation⁶² suggest that some workers can lose out on more than £50 per month from the ‘insecurity premium’ which transpires from higher costs associated with late planning, such as higher childcare or transport costs – the right to reasonable notice could reduce these.	Uncertain
Non-monetised impacts	As set out above, due to limitations to the evidence base, we are unable to monetise the impact on workers. This OA sets out a range of survey data and research supporting our assessment of the non-monetised impacts on workers. Overall, a right to reasonable notice of shifts is expected to have a positive impact on workers. The policy will reduce unpredictability over when work takes place and, particularly for those who have no or a small number of hours guaranteed, will improve the predictability of income and enable workers to better manage their lives (for example, to organise childcare). However, the impact will depend upon what amount of notice is presumed to be ‘reasonable notice’ and how many workers are in scope through the hours threshold. Income insecurity has been linked to anxiety and stress as well as debt issues and an inability to save for the future, affecting other socio-economic factors, like access to housing. By reducing uncertainty about whether workers may receive short notice of their shifts, the policy is expected to give workers greater confidence in their income, which should support improved wellbeing.	Positive

⁶² [‘Precarious Pay and Uncertain Hours’](#), Living Wage Foundation, 2023

	Likewise, this legislation gives workers recourse to properly assert their right to reasonable notice without the risk of their employer reducing or changing their future hours.	
Any significant or adverse distributional impacts?	At lower and mid-range hours thresholds for the right to reasonable notice (up to and including the 28 hours threshold), workers and employers potentially in scope are more concentrated in sectors associated with variable-hours and insecure work, including retail, hospitality, and health and social care; with a disproportionate impact also felt by the recruitment sector. At these hours thresholds, workers potentially in scope are also more concentrated among certain groups, including younger (aged 16 to 24) workers, women, disabled workers, and those from some ethnic minority backgrounds. As hours thresholds rise further towards 48 hours, coverage of the right broadens across the economy. Nonetheless, we overall expect the impacts on workers to primarily occur where workers undertake shifts and there is evidence of one-sided flexibility, short-notice scheduling and insecurity of hours and income. The existing evidence base indicates that this includes low-paid workers, and workers in some form of insecure work (such as zero hours contracts) or sectors where such practices are most common. As set out in the 'Non-monetised costs and risks' section, there are some potential risks to the demand for certain contracts in scope (which may particularly impact, for example, groups such as students). To minimise potential unintended risks, the government has ensured that the consultation is wide ranging regarding the right to reasonable notice. This is reflected in the wide range of options in this OA. The government will also set out in regulations a clear set of factors that employment tribunals must consider when determining whether the notice provided was reasonable in the circumstances. These factors will be informed by the consultation and should further ensure that the right to reasonable notice is both fair and proportionate. In addition, the increase in labour costs is modest relative to total labour costs in the economy, and	Positive

	employers are likely to take a range of approaches to dealing with higher costs.	
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Part B: Impacts on wider government priorities

Category	Description of impact	Directional rating
Business environment: Does the measure impact on the ease of doing business in the UK?	The UK's flexible labour market, or the ability of its jobs market to match labour supply and demand, thereby maintaining low unemployment, is often cited as a major benefit of doing business in the UK. One key part of this flexibility is the array of variable hours contracts possible in the UK and the relative lack of regulation on these forms of work. This legislation will place burdens on employers, hirers and agencies, particularly those in sectors where the use of these variable hours contracts is frequent. In some cases, reduced ability to adjust staffing at short notice could lead to higher operating costs, lower responsiveness to demand, or lost output. The scale of these effects will depend on the final policy parameters, including the hours threshold, the period of notice presumed reasonable, and the factors to be considered in determining whether notice was reasonable in specific circumstances. However, there are also several aspects of the policy that will benefit employers. Most notably, this legislation will level the playing field for employers already providing reasonable notice of shifts and provide positive productivity benefits to employers as a result of wellbeing improvements for workers. Overall, the impact on the business environment and growth is uncertain at this stage, as the measures are out for consultation. The direct impact on business is expected to be negative because the measure introduces familiarisation, implementation and workforce planning costs and reduces some forms of employer flexibility. Potential productivity and wider economic benefits may arise through improved worker wellbeing, better scheduling practices and fairer	May work against

	competition, but these benefits are uncertain and difficult to monetise. The consultation will be used to test these trade-offs, including how the final parameters can improve security and predictability for workers while maintaining appropriate flexibility for employers where short-notice working is genuinely unavoidable. The evidence on whether the measure will positively or negatively impact investment is ambiguous, but overall, we expect any impacts on investment to be small. There is evidence in the literature of a link between job quality, wellbeing and productivity. As such, by improving the security and predictability for workers in these forms of contract, employers could potentially be incentivised to invest more in their workers, and this alongside improved wellbeing may feed through into productivity improvements. Evidence from investment surveys suggests that labour costs and employment protections are not primary considerations for foreign direct investment⁶³. This is supported by additional analysis which finds that after the Act's implementation, Great Britain will move up the rankings for employment protections amongst OECD countries, shifting from near the bottom towards closer to the average⁶⁴. Following the Act, the analysis finds that the UK protections for zero hours contracts specifically would be higher than the average of the selected OECD countries.	
International Considerations: Does the measure support international trade and investment?	It is not expected that this policy will have any direct impact on trade and investment because contracts which are most likely to be impacted by the need to provide reasonable notice are mainly used in non-traded sectors such as retail, hospitality, and health and social care, due to the flexible nature of these sectors. In addition, the increase in labour costs is modest relative to total labour costs in the economy, and therefore the impact on export and import competitiveness is likely to be negligible.	Neutral

⁶³ 'EY UK Attractiveness Survey - June 2025', EY Global Limited, 2025

⁶⁴ [Assessing the legal and economic implications of the Employment Rights Act 2025](#), Carter et al., 2026

	Furthermore, we expect there to be little impact on foreign investment (FDI) in the UK. Labour costs and the level of employment protections are reported to be low considerations for businesses when deciding to deploy FDI in the UK⁶⁵. Moreover, this measure and the Act overall will not lead the employment rights framework to be an outlier compared to many of other European economies that the UK will be competing with for FDI.⁶⁶ If this measure supports a more productive, resilient and skilled workforce, this could even improve the UK's attractiveness as an investment destination. Indeed, a World Skills UK report finds that enhancing the skills of the UK workforce is essential to attracting foreign investment.⁶⁷ Therefore, we expect the impact to be neutral because the overall impact on international trade and investment is expected to be negligible. The impacts resulting from this measure predominantly affect non-traded sectors, the increase in labour costs is modest relative to total labour costs in the economy, and the UK's employment rights framework will remain in line with international norms. There is no evidence that this measure or the Act overall will create a competitive disadvantage or deter foreign investment.	
Natural capital and Decarbonisation: Does the measure support commitments to improve the environment and decarbonise?	It is not expected that this policy will have any impact on the environment.	Neutral

⁶⁵ ['EY UK Attractiveness Survey - June 2025'](#), EY Global Limited, 2025

⁶⁶ [Assessing the legal and economic implications of the Employment Rights Act 2025](#), Carter et al., 2026

⁶⁷ ['Wanted: skills for inward investors'](#), World Skills UK, 2022

8. Monitoring and evaluation

167. Since much of the detail of this legislation will be delivered through secondary legislation, this OA accompanies an extensive consultation exercise with stakeholders to ensure that the policy design works for those it affects.
168. Monitoring and evaluation will be critical to provide policy makers with evidence to optimise delivery, to ensure accountability, and to inform effectiveness and impact. A range of complementary monitoring and evaluation activities are required to meet to assess the process and effectiveness. A monitoring and evaluation plan will be developed using HM Government best practice, which will be proportionate to this requirement. This will include both quantitative and qualitative data collection to inform analysis.
169. Our monitoring and evaluation approach will provide:
- a. Accountability: We will assess if the objectives of the policy outlined have their intended effect and whether they are being delivered as planned.
 - b. Learning: We will provide insight via systematic monitoring of whether the policy is doing what it was intended to do.
 - c. Inform policy and allocative decisions: Monitoring and evaluation will help to target resources where they have the greatest impact. Ultimately, evaluation will provide information on whether to stop, refine or continue a policy.
170. We will also undertake a Post-Implementation Review of this policy within 5 years following introduction (when the secondary legislation comes into effect). This allows the policy time to become sufficiently established.
171. For the purposes of this OA, it is assumed that the measure will be implemented in 2027.
172. Following consultation, we will develop the necessary secondary legislation to implement the policy. Alongside this secondary legislation we will set out a full monitoring and evaluation plan.
173. At a high level, our monitoring and evaluation plans will consider:
- a. Whether the measure has achieved its stated objectives (see sections 3 and 4).
 - b. Whether the impacts of the policy were in line with those estimated in this OA and the previous impact assessment on the right to reasonable notice of shift patterns and payment for shifts cancelled, moved or curtailed at short notice.
 - c. Whether the policy has resulted in any unintended consequences.
174. Our initial monitoring and evaluation work is focused on baselining, developing key metrics, and ensuring that there is a coordinated programme of research to fill evidence gaps. This includes our research conducted by Ipsos, which as mentioned in further detail in the assumption log, features a large-scale quantitative survey and

in-depth qualitative interviews. The questions of this survey have been tailored to fill evidence gaps in our understanding of the status quo, and to fill important gaps for our analysis where previous assumptions were based around proxy or outdated evidence.

Key measures and sources of data

175. An overview of considered monitoring and evaluation data collection approaches:

- a. To help monitor if the policy has met its intended outcomes, we will conduct regular engagement with key stakeholders. This will provide us with direct feedback on the effectiveness of the measures and allow for further insight on how successful the measure has been.
- b. The government is considering the case for commissioning surveys of a statistically representative group of individuals and employers to ensure that regulations are working as intended for different groups. This will provide evidence on whether the intentions of the policy, for example an increase in workers getting advanced notice of shift scheduling, has been met.
- c. Consideration of convening focus groups of stakeholders and representatives to ensure that the regulations are working as intended. This provides another way of gathering evidence on the effectiveness of the policy in meeting its objectives.
- d. Monitoring of existing data releases. These include quarterly data from the ONS on the use of zero hours and temporary contracts from the LFS as well as annual publications of the ASHE. Alongside this, there are one-off and semi-regular surveys completed by thinktanks and business stakeholders which cover the behaviour around cancellations and notice of shift scheduling. These options provide metrics which can be measured to assess the effectiveness of the policy, thinktanks and business stakeholders may also complete surveys specific to the measure in order to gain an insight into their effectiveness which would provide a more direct assessment of the policy's effectiveness.

Review objectives

176. Any review of the right to reasonable notice measure would look to assess whether the anticipated outcomes as set out in the Theory of Change and Objectives for Intervention have been achieved, and the extent to which unintended consequences have occurred. These plans will be developed alongside HM Treasury (HMT) Green Book and Magenta Book guidance.

177. Below are some high-level potential evaluation questions, these are subject to change and further developments:

- a. To what extent has the reasonable notice measure impacted the notice of shifts received by workers?

- b. To what extent has the reasonable notice measure increased the predictability of work schedules for workers?
- c. In what way has the measure achieved its intended outcomes and impacts?
- d. In what way has the measure produced or contributed to any unintended consequences?

178. We will also evaluate the economic impact of the right to reasonable notice measure, including its costs and benefits. These questions will vary depending on the final scope of the evaluation, though potential questions which are subject to change and further developments include:

- a. What costs have been incurred by employers?
- b. What benefits have been generated from the measure to both employers and workers?
- c. What are the nature and scale of direct and indirect benefits to all parties?
- d. What is the nature and scale of direct costs incurred by employers?
- e. What is the nature and scale of indirect costs incurred to employers and the wider economy as a result of this measure?

179. We will further continue to develop our monitoring and evaluation plans with a focus on how we are gathering insights into the impacts of the options taken forward after consultation, taking into consideration proportionality and feasibility. We will also consider opportunities to align our monitoring and evaluation work with the wider evaluation of the Act; this will be subject to further consideration.

9. Minimising administrative and compliance costs

180. The government has committed to continuing full and comprehensive engagement and consultation on the implementation of the Plan to Make Work Pay⁶⁸, working with employers, workers, hirers, agencies, trade unions and other stakeholders. As set out in Next Steps to Make Work Pay⁶⁹, the government will take a phased approach to engagement and consultation on these policy measures, as well as phasing commencement by allowing a buffer familiarisation period after regulations are laid.

181. Holding a 12-week consultation allows stakeholders from all sectors to fully engage with the complex policy issues at hand. The government is committed to holding roundtables and bilateral sessions with stakeholders to ensure that it appropriately considers the most effective options.

182. The government is committed to ensuring there is sufficient support and non-statutory guidance for workers, employers and businesses of all sizes to understand

⁶⁸ [Implementing the Employment Rights Bill Roadmap](#), DBT, 2025

⁶⁹ [Next Steps to Make Work Pay - GOV.UK](#), DBT, 2024

their new rights and obligations. Alongside a wide range of engagement and communication, DBT will be working closely with trade bodies, trade unions and Acas to ensure sufficient guidance will be available on the zero hours measures. The government has committed to ensuring time is built into the implementation plans to allow stakeholders, including small businesses, to familiarise themselves with changes in law and guidance.

183. The government will also ensure that, where appropriate, guidance is published to ensure all stakeholders have the information required to make necessary adjustments. The government is also considering how to best engage stakeholders during the familiarisation period to ensure that the details of the new requirements are clear, particularly to smaller employers who may need more information to adapt.

Declaration

Department: Department for Business, Innovation, Science and Trade

Contact details for enquiries:

ERDAnalysisEnquiries@businessandtrade.gov.uk

Minister Responsible: Minister for the Future of Work – Kate Dearden MP

I have read the Options Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed:



Date:

12/08/2026

Annex

Assumption log

184. The analysis makes several assumptions; the most important are set out below in Table 3. We will continue to test these with stakeholders, including through the public consultation, with the aim of refining them for the final impact assessment. In addition, DBT has published and commissioned research to improve its evidence across these assumptions among others. The references for these sources are included elsewhere in the OA.
185. DBT commissioned Ipsos to conduct primary research. This published research combines a quantitative survey of 2,381 people, and a series of 18 in-depth interviews⁷⁰, conducted by independent research agency Ipsos. It explores the experiences of individuals on variable hours contracts (such as zero hours contracts, those with 16 or fewer hours guaranteed in their contract and agency workers) covering topics including contractual arrangements, regularity of work, variability of hours, shift management and the impact on agency workers more specifically. Following engagement with stakeholders, we tailored the questions in this survey to fill evidence gaps in our understanding of the status quo, and to fill important gaps for our analysis where previous assumptions were based around proxy or outdated evidence. Alongside this, a series of in-depth qualitative interviews was conducted to provide richer insights into the responses to the quantitative survey. The mixed methods approach strengthens both the evidence base and the assumptions underpinning the analysis.
186. The evidence base for short-notice scheduling is materially stronger for workers in insecure work, on zero-hours or similar arrangements, with variable schedules, or in sectors where such practices are most common. Several of the sources cited in this OA therefore provide the strongest evidence for the lower part of the hours threshold range. While some evidence suggests that unpredictability in the timing of work is not confined to the lowest-hours workers, direct evidence on the impacts of applying an hours threshold entitlement at substantially higher levels of guaranteed hours is more limited. The analysis of higher thresholds in this OA should therefore be interpreted as more uncertainty as they are combining evidence backed principles with more assumption driven judgements that consultation is intended to test.
187. As set out previously, the Employment Rights Bill Implementation Roadmap⁷¹ states that the reforms to zero hours and similar contracts will be implemented in 2027. As such, in our appraisal, we use 2027 as the present value base year and 2025 as the

⁷⁰ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

⁷¹ [Implementing the Employment Rights Bill Roadmap](#), DBT, 2025

price base year to account for the data sources used in the analysis. We consider the costs and benefits over the course of a 10-year appraisal period, discounting future years at a rate of 3.5% per annum as per HMT Green Book Guidance.

188. Across several assumptions, the evidence base becomes weaker and more proxy-based as the hours threshold extends beyond the workers most strongly associated with insecure and variable-hours work, and model outputs at higher thresholds should therefore be interpreted with greater caution.

Table 3: Key assumptions in quantitative analysis

Assumption/Risk	Source	Robustness	Sensitivity to the monetised outputs	Explanation and Risks
Number of workers in scope when legislation comes into effect	ASHE (2025)	Medium-High: employer reported survey data	N/A – not used specifically in modelling	This survey provides an estimate of employee jobs impacted at different hours thresholds. This is calculated by whether they are on a zero hours contract as well as the number of hours worked at a basic rate. As such, there could be an underestimate of workers due to those who are working their extra hours at a 'basic' rate rather than an 'overtime' rate, but this does not provide an estimate of contractually guaranteed hours. As a result, this may underestimate the number of workers in scope at a particular hours threshold, as hours contractually guaranteed will nearly always be the same as or lower than hours worked.

Number of employers in scope for workforce planning	DBT Business Population Estimates (2025), Resolution Foundation (2024)	Medium: reasonably robust source, but particular uncertainty in the High scenario	High	The Resolution Foundation paper provides an estimate of the number of employers who employ at least one worker on a ‘flexible’ form of contract – which is approximately 75% of all employers.⁷² This source does not refer to specific hours thresholds. This means that employer impacts cannot be dynamically estimated at different hours thresholds. Depending on the hours threshold, a higher or lower proportion of employers could be captured by the legislation. For the highest hours threshold (48 hours) we consider that all employers could be in scope, regardless of whether they employ a worker on a ‘flexible contract’ (as defined by the RF) or not. This is a cautious approach. The uncertainty is discussed in more detail in the Annex.
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⁷² ‘[Firm Foundations](#)’, Resolution Foundation, April 2024. The Resolution Foundation defines a flexible contract as “one that entails significant uncertainty for the worker, either because they do not know how much they will be paid week to week, or because they have a guaranteed income only for a limited period of time.”. The specific categories included in the definition are: workers on zero-hour contracts, workers on ‘short-hours contracts’ (which guarantee between 1 and 8 hours of work a week), workers whose number of hours worked varies week-to-week *and* who are paid a fixed hourly rate, workers on fixed-term contracts < 6 months, temporary workers on casual contracts, and temporary seasonal workers.

Number who would adapt workforce practices (workforce planning)	DBT (2026)	Medium: robust source, but particular uncertainty in the High scenario	High	To estimate the number of employers who would need to adapt their practices and therefore invest in improved workforce planning, we use data from the DBT (2026) research on the notice usually received by workers in precarious work. In our low scenario, we apply the percentage receiving less than 1 week's notice to the number of employers in scope (see above). In our high scenario, we apply the percentage receiving less than 4 weeks' notice to the number of employers in scope (see above): this is uncertain, and we expect it to overall cautious. This is discussed in more detail in the Annex. This source is not based on data related directly to workforce planning, and is based on worker (rather than employer) reported data. This figure is based on survey results of people in precarious work, which is likely a self-selection of workers who are likely to be impacted to a greater extent than the rest of the labour market. In the high scenario this is applied to all businesses (regardless of whether they have precarious workers). Therefore, it is subject to some uncertainty and could lead to the impact estimates being under or over estimates.
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Current notice periods for shifts	DBT (2026)	Medium: robust source, but less applicable at higher hours thresholds	Medium-High	This data shows the usual notice received by workers in insecure work. It is considered more robust than an alternative source (Living Wage Foundation (2023)) as this shows the minimum amount of notice workers receive of their shifts, rather than the normal or average notice workers receive of shifts. Therefore, it may lead to some overestimation, as workers who receive more notice of their shifts on average than they receive as a minimum may be captured erroneously.
Unit cost associated with workforce planning, per employer	Stakeholder engagement, ASHE (2025)	Medium-low	Medium-High	This assumes that employers will spend on average 15 minutes per week extra on workforce planning as a result of the right to reasonable notice of shifts, multiplied by the equivalent wage rate of workers responsible for this process. This assumption is based on logic and some evidence from stakeholder engagement, but this evidence is not robust. We will continue to build our evidence on this.

Evidence gaps

189. The analysis within this OA is based on the best available evidence at this stage and is based primarily on the areas of the consultation where options have been explicitly stated. However, there remain important uncertainties which affect the assessment of the options for the right to reasonable notice. These uncertainties relate to the likely costs and benefits of different options, how employers, agencies, hirers and workers may respond to the measures, the extent to which existing data captures the workers and business models most affected, and how different options may interact with genuine operational need.
190. The consultation has been designed to gather information on these areas where there are evidence gaps, with this being reflected in the fact that many options are presented as free text to reflect the scope of how open the consultation is. Examples of where the government is seeking further evidence from the consultation include:
- a. the extent to which workers with different levels of guaranteed hours experience detriment from short notice scheduling of shifts, including at what level the hours threshold are the most justified and proportionate to meet the policy intent, which will be informed by responses to the hours threshold questions and the broader impacts question within the consultation (Q34.a-b, Q36.a-b and Q61)
 - b. how different presumptions of reasonable notice would affect workforce planning, business responsiveness and the availability of flexible or additional work, which is being tested through questions on the amount of notice that should be presumed reasonable for directly engaged workers and agency workers (Q37.a-b and Q40.a-b)
 - c. the circumstances in which shorter notice may be reasonable, which could include where demand is unpredictable, there is staff absence, or there are urgent or time-critical operational requirements, which is being tested through questions on when shorter notice should be required for directly engaged workers and agency workers (Q39 and Q42)
 - d. whether longer notice may be reasonable, for example where workers are expected to accept shifts offered to them or where employers knew long in advance that a worker was needed for a shift, which is being tested through questions on when longer notice should be required for directly engaged workers and agency workers (Q38 and Q41)
 - e. how the options may affect agency worker models, including the interaction between agencies, hirers and workers, which is being tested through questions on agency worker eligibility, the presumption of reasonable notice for agency workers, and whether any types of hirers should not be liable for failing to provide reasonable notice (Q35.a-b, Q36.a-b, Q40.a-b, Q41, Q42 and Q43.a-c)
 - f. The potential impact on particular groups sharing a protected characteristic under the Equality Act 2010. Which will be evidenced by the question which directly asks for evidence around this matter (Q62.a-b)

191. Consultation responses will be used to refine the assessment of costs, benefits and risks before final policy decisions are taken. This will include updating the final-stage impact assessment to reflect further evidence on business behaviour, operational need, agency worker arrangements, non-monetised costs and benefits, and potential unintended consequences. This approach is intended to ensure that the final policy parameters increase security and predictability for workers while maintaining necessary flexibility for employers where short-notice working is genuinely unavoidable.

Evidence base

192. This section outlines how we have assessed the costs and benefits to employers, agencies and households resulting from the right to reasonable notice. Since much of the detail of the right to reasonable notice will be set out in secondary legislation after consultation, this OA makes uncertain assumptions based upon the range of shortlisted options.

193. Many of the costs associated with this regulatory change, particularly those linked to setting up or upgrading systems for tracking hours and workforce planning, are also relevant to the other new rights for the same types of workers, namely the right to guaranteed hours and the right to payment for shifts cancelled, moved or curtailed at short notice. Although the method for calculating workforce planning costs differs slightly due to variations in the businesses affected, we anticipate significant overlap in the activities required to comply with each measure. For example, businesses will need to reassess and adapt how they plan future shifts across all three rights. As such, these costs are presented in this OA but may be subject to double counting when considering the wider package of measures.

194. In addition, because of the right to guaranteed hours, we expect the number of workers on zero hours contracts and similar contracts to decrease. This would decrease the number of workers in scope for the right to reasonable notice and therefore reduce its associated costs and benefits. The extent to which this will happen will depend on the interaction of eligibility requirements between the zero hours measures.

Monetised Costs

195. Throughout this section of the OA, all costs and benefits are assessed relative to the 'do nothing' option in the status quo. Under this 'do nothing' option, employers would not need to provide reasonable notice to their workers, and there is no risk of being taken to tribunal for providing short notice of shifts. Similarly, under this option, workers will suffer from the issues related to one-sided flexibility. Relative to the status quo, we expect that employers, hirers and agencies invest more time in workforce and shift planning to ensure enough notice is given to mitigate the possibility that a worker may choose to take their employer to tribunal for receiving unreasonable notice. Monetised estimates are rounded to a level of precision proportionate to their magnitude in order to aid clarity and avoid presenting a misleading degree of accuracy. Specifically, values below £10 million are rounded to the nearest £5 million; values between £10 million and £1 billion are rounded to the nearest £10 million; and values of £1 billion or more are rounded to the nearest £100 million.

196. Throughout this analysis, we assume that employers, hirers and agencies will aim to provide their workers with at least the amount of time corresponding to options being considered for the 'presumption of reasonable notice'. This is a simplifying assumption, as notice can still be reasonable despite being less than the 'presumption of reasonable notice' in some circumstances. We assume that employers, hirers and agencies will want to reduce the chances that the notice that they give is not considered reasonable, and therefore also reduce costs associated with defending a case at tribunal and so endeavour to provide more notice of shifts to workers on average. As such, the costs relative to the baseline may be overstated.

197. The main monetised costs to business from the right to reasonable notice are expected to come in the form of:

- a. Familiarisation and set-up costs incurred by business to understand new requirements associated with the policy and implement systems to organise eligible workers' shifts.
- b. Workforce planning costs. These are the costs associated with planning out and notifying workers of shifts further in advance.

Familiarisation cost

198. Businesses would incur a one-off cost associated with familiarising themselves with the legislation. We assume that this familiarisation would consist of relevant workers or business owners reading and understanding the legislative change and any accompanying guidance, so they can consider the implications on the business and consult with relevant workers. This may also involve some employers, hirers or agencies seeking legal advice on the change and what it means for their business. We use the following assumptions to estimate familiarisation and implementation costs.

- a. We assume the familiarisation and implementation of this policy is undertaken by the corporate manager/director⁷³ in small and micro businesses since they are less likely to have dedicated HR resource. In medium and large businesses, we assume that the familiarisation and implementation of this policy will be undertaken by one HR manager/director⁷⁴ and three HR administrative assistants⁷⁵. This approach is published previously⁷⁶.
- b. When accounting for an uprate by non-wage labour costs (21.6%) as per ONS⁷⁷ methodology, the total hourly costs of these workers are £37.29 for corporate managers/directors; £36.23 for HR managers/directors; and £17.58 for HR administrative assistants.

199. We take a cautious approach in our estimate, assuming one hour per employer to familiarise with the new right. This is applied across the entire business population, reflecting an assumption that all employers will review the regulations given the potential to use variable hours contracts in future, including those without workers currently in scope. This is considered a cautious assumption as per other published

⁷³ SOC code: 11

⁷⁴ SOC code: 1136

⁷⁵ SOC code: 4136

⁷⁶ Such as: [Reducing the Administrative Burden of the Working Time Directive](#), DBT, 2023

⁷⁷ DBT analysis based on [UK Economic Accounts](#), ONS, 2025

IAs⁷⁸, and we apply this to the entire business population, some of which will not have any workers in scope.

200. This gives a one-off familiarisation cost of £60 million in the low estimate. In light of the reality that some employers may take longer to familiarise themselves with the legislation, particularly should more complex options be taken in secondary legislation, we again conduct sensitivity analysis using a high estimate of 2 hours for familiarisation to account for the uncertainty, which equates to a cost of £110 million.

Box 1: Calculation of one-off familiarisation cost in low-cost scenario

$$\begin{aligned} & \text{Number of micro/small businesses (1,388,000)} \\ & \quad * \text{cost of corporate managers/directors (£37.29)} * \text{time taken (1)} \\ & \quad * \text{number of corporate managers (1)} \\ & \quad + \\ & \text{Number of medium businesses (43,000)} * \text{cost of HR manager/director (£36.23)} \\ & \quad * \text{time taken (1)} * \text{number of HR managers (1)} \\ & \quad + \\ & \text{Number of medium businesses (43,000)} \\ & \quad * \text{cost of HR administrative assistants (£17.58)} * \text{time taken (1)} \\ & \quad * \text{number of HR assistants (3)} \\ & \quad + \\ & \text{Number of large businesses (11,000)} * \text{cost of HR manager/director (£36.23)} \\ & \quad * \text{time taken (1)} * \text{number of HR managers (1)} \\ & \quad + \\ & \text{Number of large businesses (11,000)} \\ & \quad * \text{cost of HR administrative assistants (£17.58)} * \text{time taken (1)} \\ & \quad * \text{number of HR assistants (3)} \\ & \quad = \text{£60,000,000} \end{aligned}$$

Implementation cost

201. We also assume businesses will incur a set-up cost as they must create a process for scheduling shifts to ensure that reasonable notice is given to workers. They must also determine which of their workers are in scope.

⁷⁸ This approach is taken in the following IA: [Reducing the Administrative Burden of the Working Time Directive](#), DBT, 2023

202. To estimate the set-up costs, we apply the same assumptions in terms of worker(s) responsible and time taken as the familiarisation costs⁷⁹, leading to a one-off cost of £60 million, or £110 million in the high-cost estimate. This means the overall one-off cost is between £110 million and £230 million. Similarly to the familiarisation cost, this may be an underestimate for the implementation across all employers, however we account for this by applying it across all employers, many of whom will not employ workers in scope.

Workforce planning – ongoing

203. We also expect there to be ongoing workforce planning costs. Whilst businesses will already undertake some degree of workforce planning, we expect that the regulations will mean workforce planning happening at an earlier stage, and this will represent a cost to businesses, at least in the short term.

204. Clearly the amount of additional planning will vary by business. Many businesses already provide good notice of shifts, and some businesses find it more straightforward to predict demand than others. However, evidence suggests many employers, hirers and agencies who may be subject to the obligation to provide reasonable notice of shifts and of changes to and cancellations of shifts according to this policy currently provide their workers with short notice of their shifts.

205. Our understanding of how businesses will adapt their workforce planning is still nascent, so estimated costs should be seen as indicative, especially given that the level of notice ‘presumed reasonable’ should affect the amount of additional workforce planning undertaken. Therefore, we have provided a ‘high’ estimate, alongside this low estimate. We intend to improve the evidence base underpinning this assumption during the consultation stage to get a better understanding of how businesses will react and the implications this will have in terms of their workforce planning.

206. To estimate the number of businesses that would undertake such a workforce planning exercise, we take a similar step-by-step approach to the one outlined in the One-Sided Flexibility IA⁸⁰.

207. First, to derive the number of businesses affected by the legislative change, for the low estimate (at an hours threshold of 8 hours) we have applied an estimate of the proportion of employers that hire workers on ‘flexible contracts’ from the Resolution Foundation (2024)⁸¹ to DBT estimates of the total number of businesses in Great Britain with more than one employee, derived from the Business Population Estimate (BPE). For the high estimate (at an hours threshold of 48 hours), we assume that the measure could potentially be relevant to all employers.⁸² However, this is a simplifying and cautious assumption and should not be read as implying that all

⁷⁹ This is the approach taken in the following IA: [Right to Request a More Predictable Working Pattern](#), BEIS, 2023

⁸⁰ [Good Work Plan: one-sided flexibility - addressing unfair flexible working practices](#), HM Government, 2019

⁸¹ [‘Firm Foundations’](#), Resolution Foundation, April 2024. The Resolution Foundation defines a flexible contract as “one that entails significant uncertainty for the worker, either because they do not know how much they will be paid week to week, or because they have a guaranteed income only for a limited period of time.”. The specific categories included in the definition are: workers on zero-hour contracts, workers whose number of hours worked varies week-to-week and who are paid a fixed hourly rate, workers on ‘short-hours contracts’ (which guarantee between 1 and 8 hours of work a week), workers on fixed-term contracts < 6 months, temporary workers on casual contracts, and temporary seasonal workers.

⁸² Given that the evidence from the Resolution Foundation is specific to ‘flexible contracts’, and population of workers in-scope under the high estimate (at an hours threshold of 48 hours) would be much broader, we do not consider it sufficiently robust to apply in the high scenario.

employers would need to make the same degree of behavioural change. In practice, many employers may already provide predictable schedules.

Table 4: Employment of Workers on Variable hours Contracts, by Employer Size

Size of employer (employees)	Percentage of employers that employ at least one worker with a 'flexible contract'	Number of employers that employ at least one worker with a 'flexible contract'
Small and micro (1-49)	74%	1,030,000
Medium (50-249)	93%	40,000
Large (250+)	94%	10,000
All businesses	75%	1,080,000

208. Our initial assumption, based on initial stakeholder engagement, is that for small and micro employers, the company director would spend on average an additional 15 minutes per week (13 hours per year) on top of the process they currently undertake to effectively plan out shifts and provide notice to ensure they are providing enough notice. In medium and large employers, this process would be undertaken by a HR manager and 3 HR assistants (with 13 hours per year each that results in a total of 52 additional staff hours per year). We also acknowledge that for some employers less time will be needed, as their current practice may deviate little from that suggested in the proposed policy, whereas other employers may need to undertake a more significant exercise. To account for this, in our high estimate we assume that 30 minutes per week (26 hours per year) will be needed.

209. To estimate how many businesses would currently not comply with the legislation and therefore need to change or adapt their workforce planning processes, we use the data from the DBT (2026)⁸³ research. This research indicates that 40% of workers in precarious work usually receive less than one week's notice. We make the simplifying assumption that this can be applied directly to the business population affected in the low scenario. For the high estimate (at an hours threshold of 48 hours), we apply the share of workers in precarious work who usually receive less than four weeks' notice (77%). This assumes that the additional businesses captured in the High scenario (compared to the Low scenario which captures employers with at least one worker on a 'flexible contract') are as likely to provide less than 4 weeks' notice as businesses with flexible workers. In practice, this is likely a cautious approach: the DBT (2026) research indicates that workers with some guaranteed hours are more likely to indicate that they usually have more than 4 weeks' notice (precarious workers are more likely to get less notice than the rest of the wider workforce).

210. It should be noted that for this modelling we assume that what is reasonable notice is a fixed amount (rather than a presumption). For example, we assume that if reasonable notice is set at 1 week or 4 weeks, any notice under this amount is unreasonable. However, employers could still provide less notice than what is presumed reasonable and be compliant with the legislation, so long as the notice is reasonable in the circumstances. This is therefore likely to overestimate the number of businesses that would not currently be complying with the legislation.

⁸³ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

211. We apply these proportions to the business population estimates (2025) to estimate the number of businesses that would need to amend how they allocate working hours. The formula in Box 2 explains how this is calculated.

Box 2: Formula for cost of workforce planning

$$\text{Cost of Workforce Planning} = [N \times N_f \times Adv \times UC_F]$$

Where:

N is the total number of businesses in the UK by size

N_F is the proportion of businesses in the UK that employ workers on variable hours contracts, by size

Adv is the proportion of businesses in the UK that do not currently provide 'reasonable' notice

UC_F is the unit cost associated with the workforce planning process, defined as the wage multiplied by the number of hours for the worker who completes the process

212. Overall, we anticipate that businesses could incur a yearly cost of between £220 million and £1.1 billion due to workforce planning. This is based on a unit cost to employers of the workforce planning process of approximately an additional £500 per year for small and micro employers, and £1,200 for medium and large employers. In the context of agency workers, this workforce planning process would be incurred by both employment agencies and hirers.

213. We consider these to be direct costs as they will be required to ensure that employers provide reasonable notice to their workers. These estimates are subject to a number of simplifying assumptions and are subject to uncertainty, particularly the upper bound. We expect to further refine these estimates, including by drawing on the evidence collected through the consultation process.

Box 3: Calculation of ongoing workforce planning cost in low-cost scenario

$$\begin{aligned} & \text{Number of micro/small businesses estimated to be in scope (412,000)} \\ & \quad * \text{ cost of corporate managers/directors (£37.29) * time taken (13)} \\ & \quad * \text{ number of corporate managers (1)} \\ & \quad + \\ & \text{Number of medium businesses estimated to be in scope (16,000)} \\ & \quad * \text{ cost of HR manager/director (£36.23) * time taken (13)} \\ & \quad * \text{ number of HR managers (1)} \\ & \quad + \\ & \text{Number of medium businesses estimated to be in scope (16,000)} \\ & \quad * \text{ cost of HR administrative assistants (£17.58) * time taken (13)} \\ & \quad * \text{ number of HR assistants (3)} \\ & \quad + \\ & \text{Number of large businesses estimated to be in scope (4,000)} \\ & \quad * \text{ cost of HR manager/director (£36.23) * time taken (13)} \\ & \quad * \text{ number of HR managers (1)} \\ & \quad + \\ & \text{Number of large businesses estimated to be in scope (4,000)} \\ & \quad * \text{ cost of HR administrative assistants (£17.58) * time taken (13)} \\ & \quad * \text{ number of HR assistants (3)} \\ & \quad = \text{£220,000,000} \end{aligned}$$

Summary

214. Due to the wide range of potential options for the parameters discussed in this OA, with no government preferred option across any of the parameters and the government's choice not to set out preferred lead options within the ranges provided, a specific central Net Present Social Value (NPSV) and Equivalent Annual Net Direct Cost to Business (EANDCB) is not provided. To provide a range of impacts for the potential cost of the main monetised elements set out above, we consider the range of options as they relate to the monetised costs outlined above, with these set out in Table 5. We use 2025 as the price base year and 2027 as the present value base year to account for the earliest timings set out under the Roadmap for Implementation of the Employment Rights Act 2025. When considering the impact over a 10-year appraisal period, discounting future years at a rate of 3.5% per annum as per HMT Green Book Guidance, the EANDCB of the right to reasonable notice is estimated at between £240 million and £1.2 billion.

215. These estimates are subject to a number of simplifying assumptions and are subject to uncertainty, particularly the upper bound. We anticipate to further refine these estimates, including by drawing on the evidence collected through the consultation process

Table 5: Options used in modelled cost estimates

Right to Reasonable Notice	Presumption of reasonable notice	Hours threshold
Smallest impact	1 week	8 hours per week
Largest impact	4 weeks	48 hours per week

216. This policy will interact with the right to guaranteed hours, alongside payment for shifts cancelled, moved or curtailed at short notice. To comply with this policy, we expect there to be workforce planning and procedural costs with setting up systems to track and forecast hours. As such, there may be duplication of costs across this OA and the OAs for the rights to guaranteed hours and payment for shifts cancelled, moved or curtailed at short notice where in reality they may only incur the costs of setting these systems up or planning out shifts once, which would cover all new obligations.

Costs and benefits to households calculations

217. Many of the benefits and costs to workers are not monetisable because many of the benefits to workers are related to wellbeing and security at work (see the non-monetised benefits section which provides further evidence of these benefits to workers). Monetising these benefits would rely on an estimate on how much workers value this via revealed preference. Currently, the evidence base required to quantify the benefits associated with the improved wellbeing expected from this legislation is not developed enough to robustly make this calculation.

Net Present Social Value (NPSV)

218. To provide an indicative range of the NPSV of the right to reasonable notice, we use the upper and lower bounds of policy options considered in this OA, and find that, for the monetisable elements of this policy, the NPSV is estimated to be between -£2.0 billion and -£10.0 billion. This uses 2025 as the price base year and 2027 as the present value base year in which costs and benefits start from.

219. However, it is important to note some limitations when interpreting the monetised NPSV.

220. First, the main driver of the monetised NPSV is the cost to business of workforce planning. This cost is subject to a number of uncertain assumptions, particularly at the top end of the range. This range should therefore be treated as indicative only.

221. Second, we are unable to monetise the policy benefits (such as the improvements in wellbeing and productivity, and a more level playing field for employers who already have adopted these practices) due to limitations to the evidence base. As a result, the NPSV represents a partial assessment, focusing on the policy costs. It is important to view the NPSV in the context of the qualitative analysis of the policy benefits set out in this OA and supported by a range of survey data and research.

Non-Monetised Costs and Benefits

222. In addition to the monetised familiarisation, implementation and workforce planning costs set out above, the policy is expected to generate a wider range of non-monetised effects for employers, hirers, agencies and workers. These effects are likely to vary materially depending on the hours threshold and the factors set out to help determine circumstances in which shorter notice may still be reasonable. At lower thresholds, the main impacts are expected to be concentrated among workers in insecure and variable-hours work, and among employers, hirers and agencies relying on short-notice staffing models. At higher thresholds, the core issue of scheduling unpredictability may remain relevant, but the nature of the impacts is likely to shift. Worker benefits may relate more to routine stability and work-life balance than to acute insecurity of hours and income, while employer impacts may arise more through constraints on wider rota and workforce-management practices. Much of the direct evidence base is strongest at the lower end of the range, meaning the likely effects of higher threshold options are correspondingly more uncertain.

Non-Monetised Costs and Risks

Operational need

223. A key non-monetised risk associated with the right to reasonable notice is the potential impact on employers' ability to respond to genuine operational need. This includes circumstances where staffing requirements arise at short notice because demand is unpredictable, urgent or time-critical, or because staffing needs are connected to sickness absence, emergency cover, essential service delivery or short-term changes in workload that could not reasonably have been anticipated.

224. The policy is not intended to prevent employers, hirers or agencies from responding to genuine operational need where shorter notice could be reasonable in the circumstances. This is reflected in the design of the right as the Act does not impose a fixed notice period to be given in every case. Instead, regulations will set a period of notice that is presumed reasonable, which will act as a starting point for workers, employers, hirers, agencies and tribunals. Where less notice than the presumed period is given, this may still be reasonable depending on the circumstances of the case.

225. The factors to be set out in regulations will guide tribunals when determining whether the notice provided was reasonable, but the assessment will depend on the facts of each case. The consultation provides the following examples of circumstances in which more or less notice may be reasonable:

- a. It might be that more notice should be expected when a worker is contractually obliged to work any shifts that are offered to them than when a worker is free to turn down any shift that is offered.
- b. It might also be that less notice should be expected if an employer is seeking cover for another worker who has unexpectedly called in sick or is unable to work at the last minute for some other reason.

226. Existing evidence suggests that operational need is a significant reason why employers use variable hours contracts and why workers sometimes receive shorter notice than usual. In a 2022 CIPD⁸⁴ survey, 64% of employers using zero hours contracts reported using them to manage fluctuations in demand, while 35% reported using them to provide cover for staff absences. DBT (2026)⁸⁵ research also found that, of the workers currently in insecure work, 40% usually receive less than a week's notice of shifts. Among workers in insecure work who received less notice than usual, common reasons included a colleague calling in sick or having an emergency, a sudden increase in workload or demand, a colleague not turning up, errors or last-minute changes in scheduling, and lack of planning by the employer. This indicates that some short-notice scheduling reflects genuine operational pressures, while some may reflect avoidable planning failures.

227. The consultation will be used to test where longer and shorter notice may be required. This will include gathering evidence on the circumstances in which less or more notice may be reasonable. Through the consultation, the government will gather evidence to ensure the legislation preserves the ability to respond to genuine operational need, while improving notice and predictability for workers.

Unintended consequences

228. At lower hours thresholds, the non-monetised costs are likely to be concentrated among employers that rely most heavily on variable hours contracts and short-notice staffing to respond to fluctuating demand, staff absence or operational disruption. At higher hours thresholds, the nature of the risk may broaden. In addition to affecting casual staffing models, the right to reasonable notice may also affect the allocation and provision of overtime for workers with more substantial guaranteed hours. As the threshold rises, the policy therefore affects not only the use of insecure work, but also wider workforce-management practices in settings where schedules remain subject to late change. Even with strong workforce planning, this legislative change may result in, at times, periods of too many or too few staff.

229. In certain sectors with particularly volatile demand, it could lead to lost output where businesses feel unable to increase labour supply at short notice because of the legislation. This would cause a loss for both employers and workers, some of whom may miss out on wages. Some individuals value spontaneity and the ability to accept last-minute shifts. Reduced flexibility could negatively affect those who prefer ad-hoc work for lifestyle reasons where greater notice of shifts in general reduces the number of shifts available at short notice. According to LFS estimates⁸⁶, approximately 28% of those on zero hours contracts indicate that they are underemployed. However, the impact should depend on the factors affecting reasonable notice and the presumption of reasonable notice. These will be set out in regulations following consultation.

230. In anticipation of demand fluctuations and to avoid being understaffed during peak periods, businesses that rely on variable hour workers may adopt precautionary overstaffing strategies. While this primarily results in higher wage costs (which cannot be robustly estimated), it also carries non-monetised implications. Overstaffing can lead to reduced operational efficiency, as staff may be underutilised

⁸⁴ [Zero-hours contracts: Evolution and current status](#), CIPD, 2022

⁸⁵ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

⁸⁶ [People in employment on zero hours contracts](#), ONS, 2025

during quieter periods. In the longer term, businesses may seek to recover these costs by increasing prices, which could impact consumers and overall market competitiveness. For workers, overstaffing may lead to frustration or reduced job satisfaction if shifts become less meaningful or productive.

231. There may also be wider organisational responses that are difficult to monetise robustly. Employers, hirers and agencies may redesign staffing models, tighten internal approval processes for rota changes, increase reliance on earlier scheduling, or build in larger staffing buffers to reduce the risk of non-compliance. In some cases, this may improve planning discipline and management practice. In others, it may reduce responsiveness to genuine volatility in demand or create inefficiencies where staffing is scheduled more cautiously than under the status quo. These effects are likely to vary by sector and employer size and are subject to greater uncertainty at higher thresholds where the direct evidence base is more limited.
232. Many employers use zero hours contracts to manage changing demand and with a view to keeping a flexible pool of labour to fill short-term peaks and troughs in demand. A CIPD (2022) report⁸⁷ suggests that 64% of employers that made use of zero hours contracts suggested one of the key reasons for doing so was to manage fluctuating demand. The right to reasonable notice policy will still allow for this pool of labour to be maintained. However, workers will be entitled to reasonable notice of shifts.
233. There may be a corresponding cost for workers if employers, hirers and agencies choose not to bring in more staff at short notice, leading to understaffing during busy periods. This could mean that workers miss out on pay for shifts where employers, hirers and agencies are less likely to schedule shifts at short notice even when the work is available and they need staff. For those staff who work the understaffed shifts, this may lead to increased job-related stress. This job-related stress is likely to extend to small business owners, some of whom may rely on rapid staffing changes to survive in competitive markets. These risks may also differ across the threshold range. At lower thresholds, any reduction in short-notice work is more likely to affect workers who rely on ad hoc shifts to build up earnings. At higher thresholds, worker-side costs are more likely to arise where workers value flexibility in the timing of work, or where employers respond by reducing opportunities for overtime or additional shifts that would previously have been offered at short notice. The effect of the policy on workers is therefore not solely determined by whether more notice is provided, but also by how employers, hirers and agencies adapt the organisation of work in response.
234. The right to reasonable notice could also lead to businesses being cautious about offering shifts at less time than the presumption deemed reasonable to workers in scope of the right to reasonable notice. Instead, they may favour workers who are not in scope (i.e. those with guaranteed hours above the threshold) to avoid risks associated with being taken to tribunal⁸⁸. Therefore, at lower hours thresholds, those who work variable or fewer hours could see a reduction in choice of shifts, resulting in increased competition for shifts and reduced income. At higher hours thresholds, this avoidance risk is reduced as a greater proportion of workers could be in scope.

⁸⁷ [Zero Hours Contracts: Evolution and current status](#), CIPD, 2022

⁸⁸ Although, depending on the circumstances, this could amount to indirect discrimination prohibited by the Equality Act 2010.

235. Likewise, the right to reasonable notice, alongside other zero hours and similar contracts measures, may lead to a reduction in the availability of these contracts. This could impact the level of employment for groups who are more weakly attached to the labour market. Flexibility for the worker is consistently cited as the reason these contracts are used by workers⁸⁹, and a reduction in the availability of this type of work could limit the ability for certain groups to access the labour market. A full discussion of the potential impacts of the wider Act on groups more weakly attached to the labour market are outlined in section 15 of the government's Economic Analysis and Enactment Summary Impact Assessment of the Employment Rights Act 2025⁹⁰.

236. To minimise potential unintended risks from the right to reasonable notice and to ensure the policy objective of economic growth is met, the government has ensured that the consultation is wide ranging regarding the right to reasonable notice. This is reflected in the wide range of options in this OA. The government will also set out in regulations a clear set of factors that employment tribunals must consider when determining whether the notice provided was reasonable in the circumstances. These factors will be informed by the consultation with stakeholders and will ensure that the right to reasonable notice is applied in a way that is both fair and proportionate.

Impact on agencies

237. Another group that may face higher costs and a change in operation as a result of these changes is expected to be agencies, who are the third party in employment relationships involving agency workers. The Act set out that there will be a joint responsibility between the end hirer and agency to provide reasonable notice of shifts to agency workers. If a claim is successfully brought to an employment tribunal by an agency worker who believes they have been provided with unreasonable notice, the tribunal will be able to apportion liability based on the responsibility of each party in the circumstances.

238. Overall, according to estimates from the REC (2024)⁹¹, the number of temporary agency workers in the UK is estimated at approximately 1 million, and it is estimated that the recruitment sector makes up approximately 1.8% of GDP in the UK. An estimated 76.4% of the GVA of the recruitment sector was generated through temporary or contract placement activity⁹².

239. Alongside the monetised direct costs outlined in the section above, agencies may have additional information-sharing administrative costs associated with the right to reasonable notice. For example, hirers may not have the relevant information about the eligibility of an agency worker to the right to reasonable notice in terms of whether the shift in question would be an 'excluded shift'. The government is consulting on whether there is value in amending the Conduct of Employment Agencies and Employment Businesses Regulations 2003 so that agencies are required to give hirers relevant information to support them to comply with their duties under the zero hours measures.

⁸⁹ [Firm Foundations](#), Resolution Foundation, 2024; [Zero Hours Contracts, Evolution & Current Status](#), CIPD, 2022

⁹⁰ ['Employment Rights Act Economic Analysis and Summary Impact Assessment'](#), HM Government, 2026

⁹¹ [Voice of the Worker](#), REC, 2024

⁹² [UK recruitment industry status report 2023/24](#), REC, November 2024

240. Currently, agency workers are often given very little notice of their work assignments. The Association of Labour Providers survey⁹³ of agency workers finds that 26% of workers surveyed responded that they received less than 12 hours' notice, a further 28% between 12 and 24 hours. Only 23% of respondents stated that they received a week or more notice of work assignments currently. Compared to the data on directly employed workers, this suggests that agency workers receive considerably less notice of work assignments than those who are directly employed.
241. The government understands that employers often turn to agency workers due to supply-side constraints, with 43% of employers using agency workers to cover holidays and absences, while other reasons such as inability to fill vacancies (29%) and needing specialist skills (25%) are also highlighted⁹⁴. A requirement for reasonable notice to be provided potentially reduces the viability of the 'on-demand' or stop-gap use of agency workers.
242. Given the joint responsibility of both end hirers and agencies to provide reasonable notice of shifts to workers, parties may decide to modify contractual arrangements to support compliance with this legislative change. As such, this could lead to agencies and end hirers to incur legal fees to clarify terms and potential liabilities in existing or future contracts.
243. To mitigate risk, agencies may seek to tighten terms around how much notice they must receive of work assignments, or introduce minimum notice periods of shifts from end hirers in contracts. Alternatively, agencies might choose to absorb some costs to maintain client relationships, which could erode profitability over time.
244. As a result, given the evidence suggests that agency workers are often used to cover shifts at very short notice, the right to reasonable notice may lead end hirers to become more reluctant to use agency workers relative to directly employed staff or other forms of temporary contracts. Hirers who need rapid adjustments for seasonal peaks, last-minute absences, or unexpected demand may find agency workers less useful under the new rules.
245. The eligibility criteria for those in scope alongside the presumption of, and factors helping to determine, reasonable notice will determine how flexibly their business model can operate around the use of agency workers, and how appealing these will be as an alternative to variable hours contracts. This will be sensitive to the outcome of secondary legislation. If the application of the right to reasonable notice is considerably more stringent for directly employed than agency workers, there is a chance this could create a situation where end hirers choose to use agency workers more.
246. To minimise potential unintended risks from the right to reasonable notice on temporary work agencies, the government has included separate options for agency workers for certain areas of the consultation, reflecting the nature of this work. The government has also ensured that the consultation is wide ranging with no preferred options regarding the right to reasonable notice, which is reflected throughout this OA. The government will also set out in regulations a clear set of factors that employment tribunals must consider when determining whether the notice provided was reasonable in the circumstances. These factors will be informed by consultation with stakeholders able to provide feedback specifically on agency workers, ensuring

⁹³ [Agency Worker Survey](#), ALP, 2025

⁹⁴ [Choices, choices](#), Resolution Foundation, 2018

that the right to reasonable notice is applied in a way that is both fair and proportionate.

Non-Monetised Benefits

Workers

247. The policy seeks to address the imbalance created by one-sided flexibility in variable hours contracts. By introducing reasonable notice requirements, workers gain greater predictability and security in their working patterns, reducing the uncertainty that often accompanies such contracts. For workers, the main non-monetised benefit of the right to reasonable notice is greater predictability over when work will take place. This should improve their ability to plan childcare, travel, caring responsibilities, study, second jobs and personal commitments, and reduce the stress associated with not knowing when they will be required to work. For workers in insecure work, these gains are also likely to interact closely with income security and budgeting. If the hours threshold is high, the main worker benefit may be less about reducing income volatility and more about reducing disruption caused by late changes to the timing of work. The nature and strength of benefit is therefore likely to vary across the threshold range, even where the underlying issue of short-notice scheduling remains relevant.

248. There are problems inherent in one-sided flexibility employment, such as pay insecurity, unpredictability of working hours and inability to fully exert rights⁹⁵. Strong evidence links these with a range of negative phenomena such as anxiety around unfair treatment, lower pay, and greater anxiety about ‘downgrading’⁹⁶. As such, much of the benefit of this policy will come to the workers in the form of increased wellbeing, via counteracting the negative effects of one-sided flexibility.

249. Schneider and Harknett (2019) finds consistent evidence that scheduling practices such as short notice of work schedules, irregular work schedules and hours, cancelled shifts and on-call shifts are associated with worse sleep quality, and more psychological distress and unhappiness. The same study found that schedule instability had a stronger negative impact on wellbeing than low wages, highlighting the central role of time-related precarity in shaping worker outcomes⁹⁷. Two key mechanisms were identified:

- a. **Household economic insecurity:** Unpredictable hours lead to income volatility, difficulty budgeting, and increased reliance on high-cost credit.
- b. **Work-life conflict:** Short-notice shifts disrupt family life, childcare, and personal planning, with a substantial share of the negative impact on wellbeing mediated through this pathway.

250. Evidence from DBT (2026)⁹⁸ suggests that short notice of working hours or shifts has a significant impact on the mental and physical health of workers in insecure work. 42% of workers in insecure work report an impact on their physical health and 49% report an impact on their mental health.

⁹⁵ [Zero Hours Contracts, ReWage Policy Brief](#), Dix et al., 2023

⁹⁶ Downgrading in this circumstance refers to the reduction of a worker’s job level, position or pay grade within an organisation.

⁹⁷ [Consequences of Routine Work-Schedule Instability for Worker Health and Well-Being](#), Schneider and Harknett, 2019

⁹⁸ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

251. The LWF (2023)⁹⁹ paper finds that workers who are regularly subject to changes in their shifts are subject to an ‘insecurity premium’. This is the additional cost and income implications due to the way their hours are organised. This manifests in two main ways. The first is the loss of income associated with having shifts cancelled unexpectedly, where they receive less than their full wage and are unable to find alternative work. The second is that by not receiving sufficient notice of shifts, workers are unable to use cheaper services to get to work in the first place (such as public transport or cheaper childcare).
252. 27% of the insecure workers surveyed faced higher travel costs because of the way their hours are organised, while 17% have experienced higher childcare costs. LWF polling suggests that these costs, alongside lost income from cancelled shifts, can total up to £50 a month (£600 a year) for 17% of workers, and between £20 and £40 a month (£240 to £480 a year) for 48% of workers. This is supported by evidence from DBT (2026)¹⁰⁰ survey of workers in insecure work, which shows that short notice of working hours or shifts has clear cost implications: 42% of workers in insecure work report an impact on travel costs, while 75% of workers in insecure work with children report impacts on the cost of childcare.
253. Beyond the direct financial implications associated with higher childcare or travel costs for workers in these more insecure forms of work, it also creates difficulties planning their lives. This distinction is important when considering higher threshold options. Many of the strongest evidence sources cited in this OA relate to workers in insecure work, with variable hours or low guaranteed hours, for whom unpredictability of scheduling and insecurity of income are closely linked. LWF (2023)¹⁰¹ polling suggests 29% of workers said that lack of certainty over their working hours had led to them having to cancel social plans or occasions, with 27% facing increased difficulty in financial planning or budgeting. This is reinforced by evidence from DBT’s (2026) survey. It finds that 60% of workers in insecure work report an impact on their ability to plan or manage their personal life due to short notice of shifts, 49% report an impact on their ability to budget for household and other expenses and 78% report an impact on the ease of arranging childcare.
254. Analysis by the Resolution Foundation¹⁰² (Unstable Pay, 2025) demonstrates that earnings volatility in the UK is strongly linked to unpredictable working hours, particularly in sectors reliant on zero hours and agency contracts. The report finds that only 26% of workers experience stable monthly pay, while 14% (around 2.7 million people) face erratic pay with swings of $\pm 25\%$ or more in at least four months per year. This instability is concentrated among young and low-paid workers in hospitality, retail, and care sectors, where short-notice scheduling is common. The average month-to-month earnings change for volatile workers is 15% (£358 after tax), equivalent to a household’s monthly spend on food and clothing, making budgeting and childcare planning extremely difficult.
255. Harknett et al. (2021)¹⁰³ provides causal evidence that unpredictable work schedules negatively impact employee wellbeing, and that legal interventions mandating advance notice can significantly improve outcomes. Using Seattle’s Secure Scheduling ordinance¹⁰⁴ (enacted in 2017) as a natural experiment, the

⁹⁹ [Precarious Pay and Uncertain Hours](#), Living Wage Foundation, 2023

¹⁰⁰ [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

¹⁰¹ [Precarious Pay and Uncertain Hours](#), Living Wage Foundation, 2023

¹⁰² [Unstable Pay](#), Resolution Foundation, 2025

¹⁰³ [Improving Health and Economic Security by Reducing Work Schedule Uncertainty](#), Harknett et al., 2021

¹⁰⁴ [Seattle Scheduling Ordinance Fact Sheet](#), Seattle Office of Labor Standards, 2021

authors find that requiring employers to provide predictable and stable schedules led to measurable improvements in sleep quality, psychological wellbeing, and economic security.

256. Research by the University of Greenwich (2017)¹⁰⁵ found that some people with non-guaranteed hours struggled to manage their finances due to variations in weekly hours, and that this lack of predictability was a particular problem for individuals with regular outgoings such as rent, mortgages or childcare. The right to reasonable notice should ensure such workers have more advance notice of their hours to be able to plan finances and make alternative work arrangements in the case they do not have work.
257. Financial insecurity is exacerbated by unpredictable work schedules, with Citizens Advice¹⁰⁶ (2018) reporting that 13% of UK adults experience significant monthly income fluctuations and nearly half face at least one income drop annually. These variations are often linked to insecure employment arrangements, such as zero hours contracts, where workers lack control over shift patterns. The absence of reasonable notice for shifts contributes to income volatility, undermines budgeting, and increases reliance on high-cost credit.
258. Several studies have demonstrated a link between health and wellbeing and job satisfaction in the workplace. Poor health and wellbeing in the workforce are costly to both employers and the economy due to increasing absenteeism and presenteeism where workers work even when they might otherwise choose not to, which has consequential impacts for productivity and economic growth. A Deloitte report¹⁰⁷ estimates that poor mental health alone costs UK employers an estimated £42 billion to £45 billion annually through a combination of presenteeism, absenteeism, and staff turnover.
259. Specifically, there is evidence to suggest that insecure work and poor-quality work can adversely impact workers' wellbeing by creating income insecurity and harming physical and psychological health.
260. Wang et al. (2024)¹⁰⁸ find that employed adults with greater job flexibility and higher job security were less likely to experience serious psychological distress or anxiety. They also show that greater job flexibility in the form of having more autonomy over their working hours and higher job security was also associated with reduced presenteeism.
261. It is therefore unsurprising that research finds a negative association between worker mental and physical health and less permanent forms of employment in the UK. Analysis of the LFS finds that workers on zero hours contracts are much more likely to report a long-term health condition than those on other forms of contract, with these workers 50% more likely to report mental ill health¹⁰⁹. Work Foundation (2023)¹¹⁰ polling finds that 'insecure' workers were twice as likely as secure workers to experience job related stress 4 to 6 days of the week (26% compared with 13%), in particular related to uncertainty over total earnings. Their polling also finds that these insecure workers are nearly four times more likely to experience this poor

¹⁰⁵ [Non-Standard Contracts and the National Living Wage: A Report for the Low Pay Commission](#), Moore et al., 2017

¹⁰⁶ [Walking on thin ice: the cost of financial insecurity](#), Citizens Advice, 2018

¹⁰⁷ [Mental Health and Employers](#), Deloitte, 2020

¹⁰⁸ [Job Flexibility, Job Security and Mental Health Among US Working Adults](#), Wang et al., 2024

¹⁰⁹ [Zero Hours Contracts, ReWage Policy Brief](#), Dix et al., 2023

¹¹⁰ [Limiting Choices: Why people risk insecure work](#), Gable and Florisson, 2023

mental health when they also lack confidence in being able to afford an unexpected expense.

262. Poor workforce health imposes significant costs on the NHS, driven by stress-related illnesses, mental health conditions, and musculoskeletal disorders linked to insecure and unpredictable work patterns. Public Health England¹¹¹ estimates that work-related ill health costs the UK economy £100 billion annually, with mental health accounting a considerable share. CIPD research¹¹² highlights that poor health and wellbeing contribute to higher sickness absence and reduced productivity. The CIPD's Health and wellbeing at work 2025 report found that average employee absence had risen to 9.4 days per employee per year, while around a quarter of employees reported that work had negatively affected both their mental and physical health. By improving predictability in working hours, the policy could reduce stress and anxiety associated with income volatility, lowering the incidence of work-related health problems and easing demand on NHS mental health and primary care services.

263. As this policy is aimed at reducing income insecurity and giving workers and agency workers more predictability over their income in the short term and security over future income, this policy will help to contribute towards wider government objectives around access to housing and poverty reduction. This is because workers and agency workers will be able to better plan out their income into the future, giving them access to credit that they may not have been able to access previously. This will make it easier for them to effectively budget for regular outgoings, such as for rent or mortgages.

264. Unstable hours and earnings are strongly linked to reliance on Universal Credit and other in-work benefits, as workers struggle to maintain consistent income. The Resolution Foundation's Unstable Pay report¹¹³ shows that 14% of workers experience erratic pay fluctuations of $\pm 25\%$ or more, making budgeting difficult and increasing the need for welfare support. This volatility also drives financial insecurity, leading to higher use of crisis loans and housing assistance. Introducing a right to reasonable notice of shifts would provide greater foresight for workers with few hours guaranteed to plot out their future income, reducing the need for state support and improving household resilience. Over time, this could generate fiscal savings for government and support economic growth by enabling workers to participate more fully and productively in the labour market.

Benefits to employers, wider economy and growth

265. Beyond the benefits to workers themselves, the right to reasonable notice could also lead to benefits to employers and the wider economy. The wider literature indicates a positive link between wellbeing, engagement at work, employer performance and productivity. Similarly, it has been found that there is a negative impact of temporary employment on productivity. The level of flexibility offered by these contracts impacts the rate of churn and the average tenure of these workers, which may disincentivise investment in training if employers believe workers are at risk of leaving. These potential benefits are likely to be strongest where employers have the greatest scope to improve planning, reduce churn or improve worker

¹¹¹ [Health and Work Evidence Review](#), Public Health England, 2019

¹¹² [Health and Wellbeing at Work](#), CIPD, 2025

¹¹³ [Unstable Pay](#), Resolution Foundation, 2025

experience through earlier notice of shifts. In this respect, the potential productivity improvements are likely to be clearest among employers that currently rely heavily on short notice scheduling. If the threshold were extended further upwards, the potential productivity benefits may still be present, but they may be smaller on average where workers and employers already operate with more stable schedules in practice.

266. Yu (2023)¹¹⁴ finds, in their study of restaurants, that while just-in-time scheduling of less than 24 hours (based on immediate workplace needs) provides flexibility which reduces labour costs, it may hurt restaurant waiter productivity and thus employers' revenues. Their study finds a 4.4% reduction in productivity during the use of real-time schedules (which features lack of advanced notice) compared to regular schedules.

267. Timewise (2025)¹¹⁵ finds that in social care, poor retention rates were directly linked to scheduling and the unpredictability of rotas, among other factors such as downtime in the middle of the working day and the need to travel long distances between clients. The study trialled a move to more advance notice of rotas in certain workplaces coupled with a team-based, geographic approach. This led to a reduction in overheads, by reducing the size of the central administration team and savings made on travel time. There was also a slight reduction in sickness absence rates.

268. More broadly, the efficiency wages theory suggests that when workers feel valued and are satisfied with their jobs, they become more engaged and committed to their place of work and therefore work more efficiently. This efficiency drives higher productivity and in turn can increase business output and economic growth. Oswald et al. (2015)¹¹⁶ find wellbeing boosts performance at work by 12% on average. Similarly, Bryson et al. (2017)¹¹⁷ find a positive impact of happiness on productivity whilst Bellet et al. (2019)¹¹⁸ finds a positive association between employee job satisfaction and productivity, showing an increase in sales of 13%.

269. To evidence this, the study "The Impact of Schedule Consistency on Shift Worker Productivity" by Lu et al., (2022)¹¹⁹ analyses over 1.2 million transactions processed by 126 grocery cashiers to evaluate how consistent scheduling-defined as working the same hours of day and same days of week- affects productivity. Using econometric modelling, the authors find that hour-of-the-day consistency raises cashier productivity by 0.95%, while day-of-the-week consistency yields a 1.63% increase on average. These effects are substantially causal, with even greater gains observed among inexperienced cashiers: 3.39% (hour consistency) and 7.93% (day consistency). The results indicate that ensuring consistent schedules can causally enhance operational efficiency, especially by supporting less experienced employees.

270. Secondly, as suggested in the monetised element of this OA, it is likely that this policy will incentivise employers, hirers and agencies to invest more time and money into workforce planning. There is evidence to suggest that this will benefit employers as well as workers, by streamlining processes and making them more efficient in

¹¹⁴ [How to design predictable scheduling laws that not only benefit workers but also firms' bottom line?](#), Yu, 2023

¹¹⁵ [Keep Britain Working Review](#), Timewise, 2025

¹¹⁶ ['Happiness and Productivity'](#), Oswald et al., 2015

¹¹⁷ ['Does employees' subjective well-being affect workplace performance?'](#), Bryson et al., 2017

¹¹⁸ ['Does employee happiness have an impact on productivity?'](#), Bellet et al., 2019.

¹¹⁹ [The Impact of Schedule Consistency on Shift Worker Productivity: An Empirical Investigation](#), Lu et al., 2022

their operations¹²⁰. Again, this is likely to accrue most prominently at the lower end of the hours threshold, as where employers already provide relatively stable schedules, extending the threshold may increase coverage without generating the same degree of practical improvement in management practice or worker outcomes.

271. However, while the evidence shows the link between good and more secure work and productivity and incentivisation for employers to invest in workers, there is no evidence that enables us to quantify the impact that a right to a reasonable notice of shifts will have specifically.
272. Taken as a whole, the Employment Rights Act 2025 is expected to have a small, positive impact on growth over the medium to long term, as outlined in the government's Economic Analysis and Enactment Summary Impact Assessment of the Employment Rights Act 2025¹²¹, reflecting improvements in job quality, workforce stability and productivity, alongside fairer competition between firms.
273. The government has three main objectives for the zero hours measures. These include supporting sustained economic growth across the diverse range of industries that make up the UK economy, while establishing a baseline of security and stability for workers facing unpredictable hours so they can plan their lives more effectively and rebalancing labour market flexibility so that it works for both workers and employers. The reforms to zero hours and similar contracts are expected to support this by reducing one-sided flexibility, improving the stability and predictability of hours and income for affected workers, and encouraging a more balanced employment relationship. Greater predictability and security may support higher worker engagement and retention and incentivise more effective workforce planning, which could feed through to productivity improvements.
274. While these effects of one-sided flexibility reform are uncertain and difficult to quantify at this stage, they are expected to be small when compared to total labour costs in the economy and to partially offset any short-term adjustment costs for employers. To help mitigate these costs the government is consulting on a wide range of options, with no preferred options for the right to reasonable notice. The final policy parameters will aim at increasing predictability and security for workers while maintaining appropriate flexibility for employers, supporting a balanced approach to sustained economic growth.

Summary of impacts of options considered in this OA

275. The magnitude of the impacts associated with the policy depends directly on how each parameter considered in this OA is set. However, some of these parameters have a greater impact than others on the costs and benefits outlined previously.
276. The hours threshold stands to be the most impactful parameter to be set out in regulations, as it determines the scale of worker and employer coverage and therefore the breadth of both potential benefits and compliance burdens. As the threshold rises, more workers would fall in scope for protection, but the nature of the impact also changes. At lower thresholds, the policy is more tightly focused on workers in insecure and variable-hours arrangements. At higher thresholds, the policy increasingly reaches workers with more substantial guaranteed hours, for

¹²⁰ [A Response to Government on One-Sided Flexibility](#), LPC, 2019

¹²¹ [Employment Rights Act Economic Analysis and Summary Impact Assessment](#), HM Government, 2026

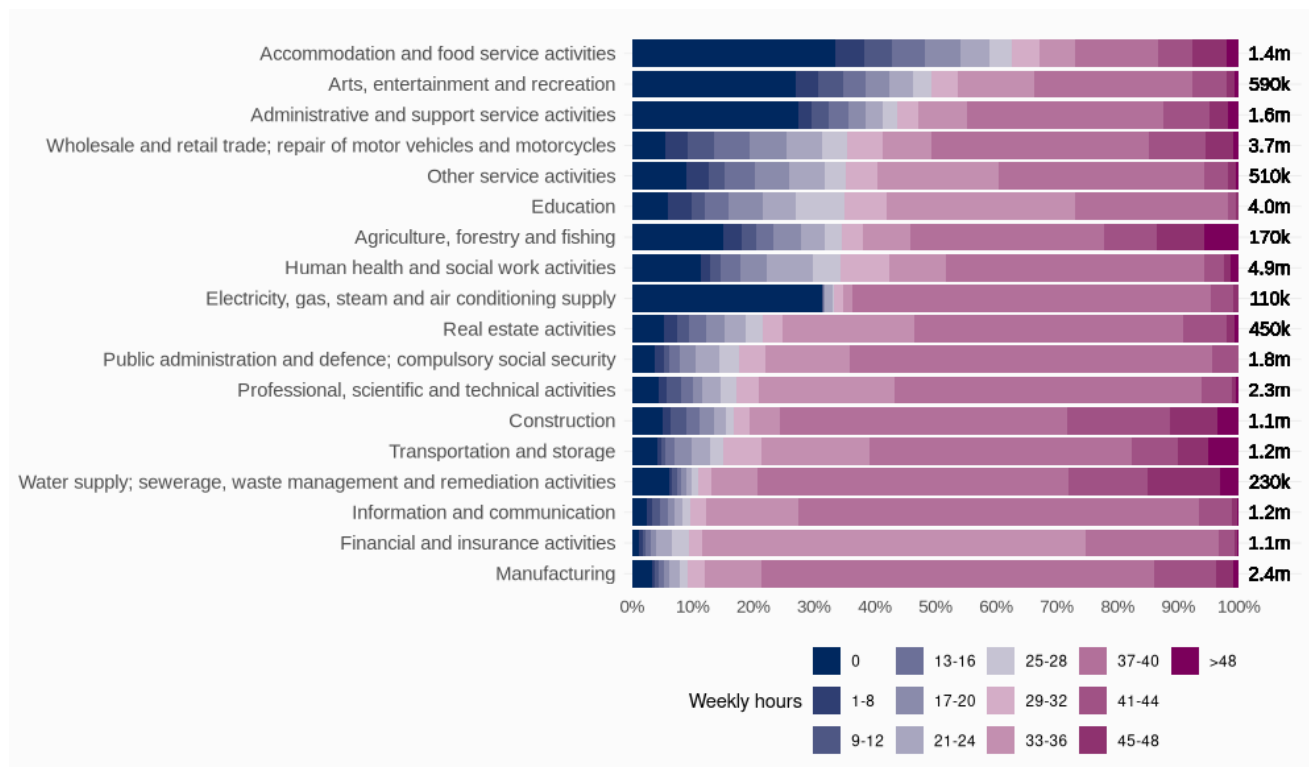
whom the main issue may be short notice notification of when their hours would be worked in a week rather than specifically insecurity of hours and income. Employer impacts likewise broaden from casual staffing models towards wider rota and workforce management practices. This means that higher thresholds may increase both coverage and uncertainty around targeting and proportionality. The determination of the presumption of reasonable notice, and factors to help determine reasonable notice, similarly have implications for the impacts of the policy set out in this section. These should help determine what is reasonable in the circumstances and therefore the extent to which flexibility between worker and employer (or hirer/agency) is rebalanced. This could therefore have direct and significant cost implications for workers, as it serves to impact how they plan out elements of their life such as transport and childcare, as well as find alternative work.

Wider Impacts

Sectoral impacts

277. The arrangements most likely to be materially affected by this legislation are disproportionately used in sectors with variable or fluctuating demand. This remains most evident at lower and mid-range hours thresholds. At higher hours thresholds, coverage of the right to reasonable notice would broaden across the economy, but the greatest practical impacts are still expected to arise where employers, hirers and agencies rely most on short-notice scheduling and variable workforce deployment. This OA considers the impacts on the economy at an aggregate level; however, in this section the OA considers specific sector-level impacts.
278. Figure 2 shows the proportion of employee jobs potentially in scope at each hours threshold considered in this OA, by sector, based on ASHE (2025). Blue bars represent thresholds up to 28 hours per week (the midpoint between the lowest and highest options considered in this OA, which are 8 and 48 hours respectively), while pink bars represent thresholds above this midpoint. The figures to the right of each bar indicate the total number of employee jobs in each sector, where 'm' and 'k' denote 'million' and 'thousand', respectively.

Figure 2: Proportion of employee jobs by weekly basic hours band and sector, with total employee jobs counts



279. As outlined previously, at lower and mid-range hours thresholds, the sectors most likely to be impacted by the right to reasonable notice are those with variable or fluctuating demand. This is most notable in the hospitality; arts, entertainment and recreation; and administrative and support services sectors, where 63% (900,000 employee jobs), 49% (290,000 employee jobs) and 44% (700,000 employee jobs), respectively, of those employed are potentially in scope of a 28-hour threshold (the midpoint between the lowest and highest hours threshold options). Similarly, retail, education, and health and social care would likely be disproportionately affected, with those sectors having 35% (1.3 million employee jobs), 35% (1.4 million employee jobs) and 34% (1.7 million employee jobs) of their workforce, respectively, potentially in scope of a 28-hour threshold. This supports the findings from the DBT survey (2026)¹²², which show that one in five (20%) workers in insecure work are employed in the hospitality sector, with significant representation also found across retail, schools or colleges, hospitals or health services, and social care.

280. With hours thresholds closer to 48 hours, coverage of the right to reasonable notice broadens across the economy, with the in-scope population becoming less concentrated in the sectors most strongly associated with insecure work, making the policy less tightly targeted on the most precarious workers.

281. Both education and health and social care are sectors that have considerable public sector provision. Therefore, the impacts to the public sector and increases in costs will increase government spending. Approximately 26.3% of those potentially in scope of a 28-hour threshold are employed in the public sector, compared to 26.4% of total employment being in the public sector.

¹²² [Experiences of Workers in Insecure Work Research Report](#), DBT, 2026

Impact on small and micro businesses

282. Following the Better Regulation Framework, we explicitly consider the impacts on small and micro businesses of regulatory policy.

283. Table 6 breaks down the proportion and number of employers by size that employ any workers on ‘flexible contracts’, based on the Resolution Foundation (2024)¹²³ and DBT business population estimates (2025). It also breaks down the number of employee jobs that are potentially in scope under hours threshold options of 8, 28 and 48 hours (the lowest option, midpoint, and highest option considered, respectively), by employer size, based on ASHE (2025).

Table 6: Employment of workers on ‘flexible contracts’, and number of employee jobs potentially in scope under hours threshold options of 8, 28 and 48 hours, by employer size¹²⁴

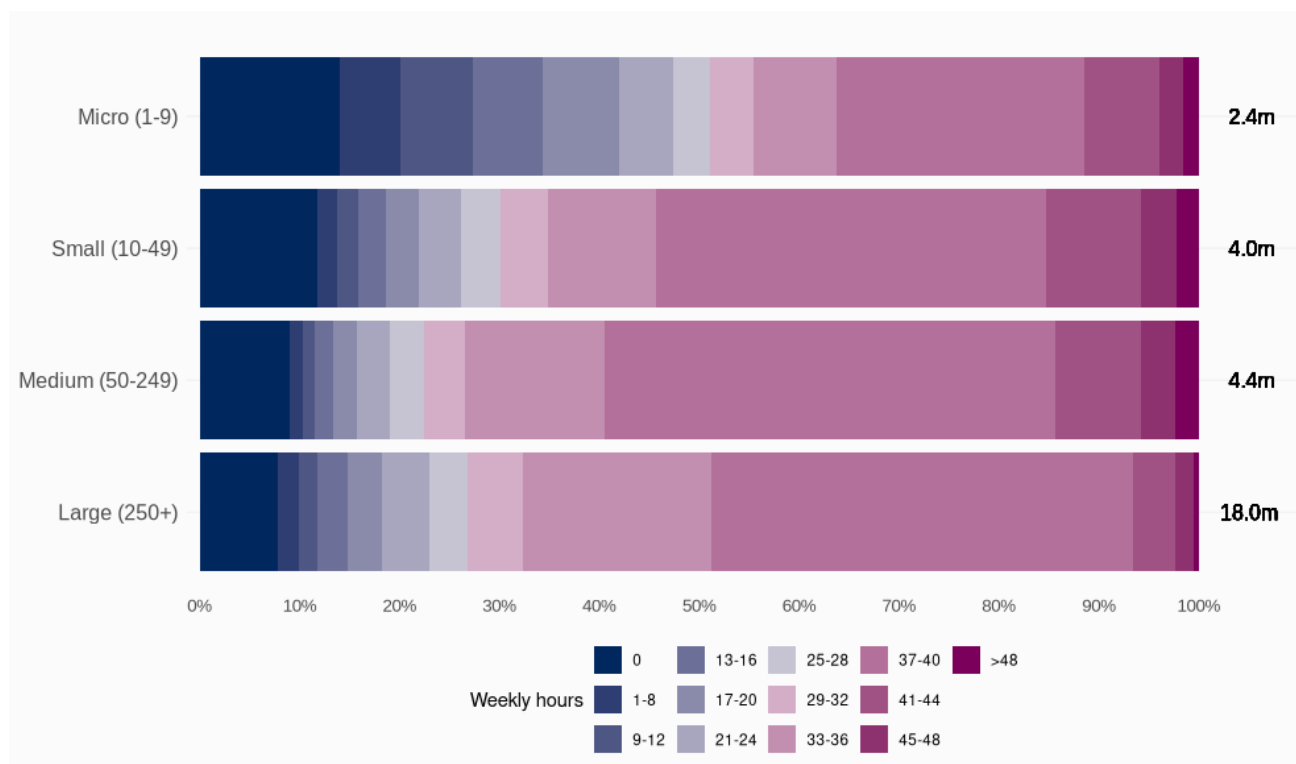
Size of employer (employees)	Percentage of employers that employ at least one worker with a variable hours contract	Number of employers that employ at least one worker with a ‘flexible contract’	Number of employee jobs with 8 or fewer weekly basic hours	Number of employee jobs with 28 or fewer weekly basic hours	Number of employee jobs with 48 or fewer weekly basic hours
Small and micro (1-49)	74%	1,030,000	1,030,000	2,420,000	6,250,000
Medium (50-249)	93%	40,000	450,000	990,000	4,320,000
Large (250+)	94%	10,000	1,780,000	4,810,000	17,890,000
All businesses	75%	1,080,000	3,270,000	8,230,000	28,460,000

284. Likewise, Figure 3 shows the proportion of employee jobs at each hours threshold considered in this OA, by business size, based on ASHE (2025). Blue bars represent thresholds up to 28 hours per week (the midpoint between 8 and 48 hours), while pink bars represent thresholds above this midpoint. The figures to the right of each bar indicate the total number of employee jobs in each business size category (in millions).

¹²³ [Firm Foundations](#), Resolution Foundation, 2024

¹²⁴ Totals in this table may not exactly match the headline estimates presented elsewhere in this assessment. This is because records with missing business size information are excluded from the business size breakdowns shown here, whereas the headline estimates of workers in scope by hours threshold include all available records regardless of whether business size is reported.

Figure 3: Proportion of employee jobs by weekly basic hours band and business size, with total employee jobs counts



285. At lower and mid-range hours thresholds (where the policy remains more concentrated among workers in insecure and variable-hours work), micro businesses (1 to 9 employees) have a significantly higher proportion of total employee jobs potentially in scope than other businesses. For example, at an hours threshold of 28 hours per week, 51% of employee jobs in micro businesses are potentially in scope, compared to 30% of those in small businesses (10 to 49 employees), 22% of those in medium-sized businesses (50 to 249 employees), and 27% of those in large businesses (250 or more employees). At hours thresholds closer to 48 hours per week, the proportions of employee jobs potentially in scope across business sizes become relatively similar as coverage of the right to reasonable notice broadens across the economy.

286. Similarly, evidence from the REC suggests that most recruitment industry businesses are classed as micro businesses of fewer than 10 employees, comprising 78.6% of the total business population in 2024. Large businesses account for only 1.5% of recruitment enterprises in 2024¹²⁵.

287. As such, the government would not be able to exclude small and micro businesses (1 to 49 employees) from this legislation without a significant adverse impact on the effectiveness of the policy and its objectives. This is because a significant proportion of variable hours workers who are most likely to be impacted by the right to reasonable notice work in small and micro businesses, and so an exemption would significantly undermine the ability of this policy to address the possibility of employers exploiting their workers on variable hours contracts through one-sided flexibility. Moreover, as this is essentially a transfer of risk from the workers to

¹²⁵ [UK recruitment industry status report 2023/24](#), REC, 2024

employers, agencies and hirers, we assume that the cost imposed on small and micro businesses is directly related to the benefits the workers receive.

288. Likewise, there is the risk that exempting small and micro businesses could create a 'two-tier' labour market, as they would avoid the costs associated with improving security and predictability of those on variable hours contracts and might even be incentivised to hire more people on these forms of contract, undermining the policy objectives. This would create a distortion in the market by distorting cost-competitiveness at the expense of medium and large businesses. It would also create a disincentive for smaller firms to grow and therefore become in scope of the policy.
289. Similarly, there is a potential risk associated with medium and large businesses that are not exempt from these regulations potentially subcontracting small and micro businesses that are exempt to avoid this legislation to provide services, thereby undermining the objectives of the policy.
290. However, it is likely that burdens resulting from this policy will fall disproportionately on small and micro businesses. Small and micro businesses often lack the dedicated HR departments that larger businesses have due to limited resources. Instead, they may rely on the business owner or another employee taking on HR responsibilities on a part-time basis.¹²⁶ This may make understanding and implementing the changes, as well as ensuring ongoing compliance with them, disproportionately burdensome for these businesses.
291. In addition, small and micro businesses are likely to be more affected by the reduction of flexibility arising from this policy during periods of fluctuating demand. For example, when demand falls suddenly, businesses may react by changing or cancelling shifts at short notice to avoid 'overstaffing' – a situation where they end up paying for more labour than demand requires. However, the right to reasonable notice of shifts will reduce the ability to do this without the risk of workers bringing an employment tribunal claim and employers incurring the associated costs. This inefficiency is likely to disproportionately impact smaller businesses because they rely more on variable hours workers to manage volatile demand (as shown in Figure 3), and they typically have weaker financial resilience and therefore less ability to absorb costs. In April 2026, among currently trading businesses, 21.7% of micro businesses (0 to 9 employees) and 16.5% of small businesses (10 to 49 employees) reported having no cash reserves or expected their cash reserves to last less than one month. This compares with 8.9% of businesses with 50 to 99 employees, 7.4% of businesses with 100 to 249 employees, and 6.2% of large businesses (250 or more employees)¹²⁷. This means that smaller businesses are likely to be more exposed to demand fluctuations and therefore disproportionately impacted by the policy.
292. Over the course of consultation, we will consider ways of reducing burdens on small and micro businesses. We will consider methods such as early engagement, with time built in for business to familiarise with the legislation and clear communication ahead of commencement and guidance.

¹²⁶ ['Do small businesses in the UK need an HR department?'](#), Evalu-8

¹²⁷ ['Business insights and impact on the UK economy'](#), Office for National Statistics, Wave 156, April 2026

Equalities Assessment

293. The Public Sector Equality Duty (PSED) under section 149(1) Equality Act 2010 applies to the publication of this OA.

294. This policy aims to reduce the impact of one-sided flexibility, where employers' providing unreasonable notice of shifts inadvertently transfers risk to workers. The regulatory changes are expected to have a positive impact on qualifying workers by providing workers with more stability through reasonable notice of their shifts. This should enable workers to plan around their shifts and arrange childcare or other responsibilities. However, as outlined previously, an increase in regulation on these types of contracts could mean employers may be more hesitant to hire workers on these contracts, or offer more work to workers who are out of scope of the legislation, although the ability of employers to do this will depend on where the hours threshold is set.

295. Throughout this OA, we have primarily used ASHE (2025) data. While this provides a more robust indication of the scale of workers potentially in scope at different hours threshold options compared to the LFS, it does not provide a full demographic profile across the entire consultation range. As such, we combine ASHE data on sex and age with further demographic breakdowns from the LFS (Q4 2025 data). This will mean that the data are not directly comparable, particularly at lower hours thresholds, but it provides a reasonable proxy to illustrate the likely composition of workers at lower and mid-range thresholds (between 8 hours and the 28-hour midpoint), where the policy remains more concentrated among groups in insecure and variable-hours work. As thresholds rise further, the in-scope population broadens, and these distributional patterns become less pronounced.

296. Using ASHE, among employee jobs that are zero hours contracts or have 28 hours or fewer per week at a basic rate of pay:

- a. 68% are female, compared to 43% among those with more than 28 hours.
- b. 18% are aged 16 to 24 years, compared to 7% among those with more than 28 hours, and 7% are aged 65 years and over, compared to 2% among those with more than 28 hours.

297. Using the LFS, of employees who self-report being on a zero hours contract or usually working 28 hours or fewer per week:

- a. 23% have a disability under the Equality Act 2010, compared to 15% among those working more than 28 hours.
- b. 47% are non-married, compared to 34% among those working more than 28 hours.

298. Also using the LFS, the employees more likely than average (23%) to self-report being on a zero hours contract or usually working 28 hours or fewer per week are those who:

- a. Identify as Bangladeshi (34%), Pakistani (31%), or Mixed or Multiple ethnic groups (27%).

- b. Identify as Jewish (41%), Muslim (30%), Christian (25%), or with 'any other religion' (24%).

299. Taken together, the impacts of this policy set out in previous sections are more likely to fall disproportionately on workers with certain protected characteristics. This includes women, 16 to 24-year-olds, people with a disability, those non-married, as well as the ethnicities and religions displayed above, reflecting their higher representation among those potentially in scope of lower and mid-range hours thresholds.

Business environment

300. The UK's flexible labour market, or its ability to match labour supply and demand and thereby maintain low unemployment¹²⁸, is often cited as a major benefit of doing business in the UK. One key part of this flexibility is the array of variable hours contracts possible in the UK.

301. The right to reasonable notice will reduce the speed at which employers, hirers and agencies can adapt staffing levels to changes in demand. This may affect the viability of certain business models.

302. However, the primary aim of this policy is around ensuring workers are not facing the negative impacts from one-sided flexibility due to circumstances out of their control, providing certainty to workers around their future income. It is likely that many firms in the economy are already providing reasonable notice, meaning it would create minimal difference to them to abide by the requirements. Equally, it will create a level playing field for employers who already provide reasonable notice.

303. As outlined previously, across the US and in other countries, there have been policies implemented that severely restrict the use of zero hours contracts and have similar policy objectives to those outlined for this policy. The findings of research have shown these policies have increased the advanced notice of shifts to employees without increasing difficulties in hiring or reducing headcount.¹²⁹

304. Similarly, there is a link in the literature between job quality, wellbeing and productivity as set out in previous sections. As such, there is a chance that by improving the security and predictability for workers in these forms of contract, more developed workforce planning processes alongside improved wellbeing will feed through into productivity improvements. This would improve the business environment and the incentives for businesses to invest.

Enforcement and Impacts on Tribunals

305. The right to reasonable notice will be enforced through the individual enforcement system, with Acas and employment tribunals playing a role in settling disputes. Workers and agency workers who consider that they have not received reasonable notice will be able to seek resolution through Acas early conciliation and, where necessary, bring a claim to an employment tribunal.

¹²⁸ [Why Zero Hours Contracts are a Good Thing](#), IEA, 2020; [Vital Role for Zero Hours Contracts](#), CBI, 2013

¹²⁹ [The Real Effects of Fair Workweek Laws on Work Schedules: Evidence from Chicago, Los Angeles, and Philadelphia](#), Kwon and Raman, 2023

306. Employers, hirers and agencies will be incentivised to comply with the right. Incentives include the risk of tribunal claims, legal and administrative costs associated with handling disputes, potential financial awards where claims are successful, and reputational risks associated with non-compliance. These incentives are expected to support behavioural change by encouraging employers, hirers and agencies to improve workforce planning and provide more notice where it is reasonable to do so.
307. The starting point for the employment tribunal will be that if an employer, hirer or agency has given less than the amount of notice ‘presumed reasonable’ they have breached the duty to give reasonable notice. It will then be on the employer, hirer or agency to show the tribunal that the notice given was reasonable in the circumstances. Alternatively, if an employer, hirer or agency has given as much or more notice than what is presumed reasonable, it would be on the worker to show the tribunal that the notice was unreasonable in the circumstances.
308. Agency worker arrangements may create additional enforcement complexity because responsibility for providing reasonable notice involves both the agency and the hirer. In some cases, disputes may require evidence on when the hirer notified the agency, when the agency notified the worker, what information each party held, and how responsibility should be apportioned. This complexity is one of the reasons why enforcement via employment tribunal was considered for this measure and enforcement via the Fair Work Agency was discounted.
309. We expect there to be some impact on the employment tribunal system as a result of the right to reasonable notice. This will possibly lead to an increase in demand for early conciliation services provided by Acas and cases within Employment Tribunals¹³⁰ (ETs).
310. As this is a new right, it is not possible to robustly estimate the number of cases that this would add to the system. However, for completeness, illustrative analysis has been conducted¹³¹, in line with other measures included in the Act to approximate the potential increase demand to Acas and ETs¹³².
311. The closest proxy jurisdiction is assessed to be “Unauthorised deductions”. Additional claims are estimated by multiplying the number of workers who gain the right to reasonable notice by the current employment tribunal claim per employee rate for the chosen jurisdictions¹³³. This number of expected additional cases is then transformed into an impact on Acas using current proportions of cases that use these services, controlling for claims across multiple jurisdictions.
312. In the 8-hour threshold scenario, there is estimated to be an additional 800 ET cases and 2,300 Early Conciliation (EC) cases to Acas. The estimated impact increases with the 28-hour threshold to 2,000 ET cases and 5,900 EC notifications to

¹³⁰ In line with previous analysis conducted by DBT, MoJ and HMCTS, this analysis assesses the effect on ‘Single Claims’, the type which are typically used to assess the individual enforcement system.

¹³¹ This is based on our estimates of the number of employee jobs potentially in scope if the hours threshold were set at 8 hours (3.3 million), 28 hours (8.2 million), and 48 hours (28.6 million). This is an update to the approach taken in the ‘Employment Rights Act 2025: economic analysis and enactment summary impact assessment’ where the calculation was based on previous estimates of the number of workers gaining additional rights.

¹³² This analysis relies on the latest available HMCTS data which includes jurisdictional breakdowns, 2022/23. All estimates are adjusted into 24/25 figures.

¹³³ The claim per employee rate used is approximated as 0.019%. It is assumed that 28.8 million workers currently have these rights.

Acas, and further increases with the 48-hour threshold to 6,800 ET cases and 20,300 EC notifications.

313. The Department for Business and Trade will continue to work with the Ministry of Justice and Acas to further understand the impact that the right to reasonable notice will have on the employment tribunal system.

Trade implications

314. As set out in the Better Regulation Framework guidance, all OAs must consider whether the policy measures are likely to impact international trade and investment.
315. From a legal standpoint, the policy does not impact international trade as it is compliant with international obligations.
316. Furthermore, the options considered will not introduce requirements on foreign-owned companies that go above and beyond those which are UK-owned.
317. From an economic standpoint, the right to reasonable notice will predominantly affect workers in sectors such as retail, hospitality, health and social care, which are not typically traded. In addition, the impact on total labour costs and therefore comparative advantage will be small.

Environment: Natural capital impact and decarbonisation

318. The regulatory changes are not anticipated to have any impact on the environment or wider governmental environmental objectives.