

Zero-Hours Contracts

Version 02 - 6th July 2026

Introduction

The New Deal for Working People in 2021 stated 'Labour will ban zero hours contracts and contracts without guaranteed hours.' This was modified in 2024 in [Labour's Plan to Make Work Pay: Delivering A New Deal for Working People](#) which expressed a clear commitment to giving working people 'security in their day-to-day lives – this involves banning exploitative zero hours contracts'. The Government would end 'one sided flexibility' and ensure that 'all jobs provide a baseline level of security and predictability'. Not only would exploitative zero hours contracts be banned: 'everyone' would have 'the right to have a contract that reflects the number of hours they regularly work, based on a twelve week reference period'.

What does the Act say?

Workers hired under a zero hour contract, pursuant to a zero hours arrangement, and/or on a low-hours contract, whether hired directly or via an agency ('qualifying workers'), enjoy three new core rights: a right to a guaranteed hours offer, a right to reasonable notice of shifts, and a right to compensation in the event of shift cancellations, unless they are an 'excluded worker' or they are covered by a collective agreement that explicitly excludes the rights, and that exclusion is incorporated into their contracts.

All rights are enforceable by a qualifying worker by way of an application to the Employment Tribunal.

Guaranteed Hours Offer

After the expiry of *each* reference period, beginning from the first day of employment, employers must agree to either vary the existing contract of, or provide a new contract to, zero hours or low-hours workers, reflecting the hours worked over that reference period: 'a guaranteed hours offer'. This right is also applicable to zero or low-hour agency workers.

The 'guaranteed hours offer' must set out when the offered number of hours are to be provided and worked, but these need not be on particular days or at particular times.

The 'guaranteed hours offer' cannot propose other changes to the contract that would be overall less favourable to the worker.

The worker is not obliged to accept the offer, and rejection does not disentitle the worker to another guaranteed hours offer after the expiry of the subsequent reference period.

The right to a guaranteed offer is a right to a guaranteed offer to be made in the prescribed manner at the prescribed time.

Employers must take reasonable steps to ensure that a qualifying worker is aware of specified information about their rights in relation to guaranteed hours offers.

Qualifying workers have a right to reasonable notice of shifts and shift cancellations, and to be paid a specified amount each time that the employer cancels, moves, or curtails at short notice a qualifying shift that the employer has informed the worker they will be working/has requested the worker to work/the employer has agreed the worker will work.

What are the defects?

Many important matters remain to be set out in secondary legislation. We do not yet know:

- what the threshold will be for a worker to count as a 'low-hours' worker;
- the reference period (although 12 weeks is expected), nor the categories of workers excluded from the zero-hours provisions;
- what the specified information that employers must bring to workers' attention will include;
- what will count as short notice for a shift cancellation to trigger the right to compensation, nor what the specified amount of compensation payable will be.

The provisions fall far short of guaranteeing workers a reasonable and predictable working schedule.

The low-hours threshold could easily be abused by employers, so too could the power to exclude certain categories of worker from the rights.

There is no right for a worker to consult trade unions in relation to any guaranteed hours offer or to be accompanied at any meeting where such an offer may be discussed.

It is unclear how the guaranteed hours provisions will work in relation to agency workers: the obligation to make the offer is on the hirer, but it is not clear whether the acceptance of a guaranteed hours offer will terminate the worker's relationship with the agency or whether the agency might place restrictions on agency worker's ability to accept the guaranteed hour's offer.

Only employees will be able to bring a claim for unfair dismissal if they are dismissed for exercising their rights, and many employees hired pursuant to a zero-hours arrangement may still struggle to demonstrate that they have the requisite continuity of service required to bring a claim because it will be difficult to demonstrate that they had a contract between shifts.

What needs to be done?

There is a need for better protection for workers who exercise their rights:

- *A worker should have the right to seek advice from an independent trade union before making a decision about whether or not to accept an offer of a guaranteed hours contract;*
- *The worker must have a right to be accompanied by a trade union official under the Employment Relations Act 1999, section 10 in any meeting to discuss the offer; and*
- *Not only employees but all workers should be protected from detriment (including dismissal) for exercising their new rights under the Act.*



For further details, and up to date information once consultations conclude and regulations are published, see IER's new [Working Life Podcast](#), or scan this QR code.

ier.org.uk
@IERUK