

What changes has the Act made to the law?

The reforms of zero hours and similar contracts in the Employment Rights Act 2025 ('The Act') aim to end one-sided flexibility by ensuring all jobs provide a baseline level of security and predictability. The Government recognises that some workers value the flexibility that zero hours and similar contracts provide. This may be true of students and people with caring responsibilities, and these changes will not take away that flexibility for workers who agree to that way of working.

The government is tackling one-sided flexibility with an ambitious update of employment rights, including three measures in the Act aimed at reforming the use of zero hours and similar contracts:

- A right to guaranteed hours, where the number of hours offered reflects the hours worked by a qualifying worker during a reference period;
- A right to reasonable notice of shifts; and
- A right to payment for shifts cancelled, curtailed, or moved at short notice.

The Act allows collective agreements between trade unions and employers to agree more tailored conditions than the law otherwise sets out.

Right to guaranteed hours

The Act will require employers to offer eligible workers guaranteed hours reflecting the hours they regularly work over a reference period. The length of reference periods will be set in regulations. Individuals will be able to reject an offer of guaranteed hours and remain on their current arrangement if they wish.

In order to be in scope of the right to guaranteed hours, a worker will have to:

- Work for their employer on a zero hours basis; OR
- Work for their employer on a contract with a guaranteed number of hours that is below an 'hours threshold' which will be specified in regulations.

To qualify, they will also have to meet the following conditions:

- The worker must have worked during the reference period;
- If the worker worked on a contract with a number of guaranteed hours below the hours threshold (to be set out in regulations), they must have worked during the reference period in excess of the hours set out in their contract;
- The worker must have met the regularity requirements (to be set out in regulations); and
- The worker must not be an 'excluded worker', if any exclusions are set out in regulations.

Workers will be able to enforce their right to guaranteed hours by making a claim to an employment tribunal. For example, if a worker qualifies for the right but does not receive a guaranteed hours offer from their employer, they will be able to make a claim.

Right to reasonable notice of shifts

The Act will require employers to provide eligible workers with reasonable notice of shifts and of changes to shifts. As with the guaranteed hours policy, the government proposes that the rights to reasonable notice and payment for shifts cancelled, curtailed, or moved at short notice should only apply to people below an 'hours threshold' which will be defined in regulations.

The government will use regulations to state how much notice should be presumed reasonable. This will be the starting point for employers and workers to assess whether the notice was reasonable. The government will also set out the factors which should be considered when determining whether the notice was reasonable or not.

The right to reasonable notice applies to *employer*-initiated changes only. So, employers will not be liable for breach of this right if two workers agree between themselves to swap shifts at unreasonable notice, for example. If an employer does not provide reasonable notice of shifts, and the employer and worker cannot settle the issue outside the courts, the worker will be able to take a case to an employment tribunal. Where the tribunal finds notice was not reasonable, it may provide the worker with compensation for the loss that they have suffered as a result of the failure to provide reasonable notice

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

The Act requires employers to make payments to workers if they cancel, reschedule or curtail (cut short) a shift at short notice. The amount of the payment and what constitutes “short notice” will be set in regulations. The government also intends that there may be some limited exceptions from the requirement to pay, to be set out in regulations.

Employers will not have to make a short notice payment where the cancellation, movement or curtailment is initiated by the worker. If a worker says at short notice that they are no longer able to work a shift, or does not turn up to work, this is a worker-initiated cancellation rather than an employer-initiated cancellation, so no short notice payment would be due. Similarly, if two workers voluntarily agree to swap a shift at short notice, the worker who gives up the shift would not be entitled to a short notice payment.

Agency workers

The Act extends these measures to agency workers as the government believes that they can experience one-sided flexibility in the same way as directly engaged workers. Extending the measures also prevents agency work becoming a loophole for employers to avoid the new legislation. The government recognises that due to the complex relationship between an agency worker, agency and hirer, these measures may need to apply differently to agency workers.

The Act extends the right to a guaranteed hours offer to qualifying agency workers. Hirers will be responsible, by default, for making guaranteed hours offers to qualifying agency workers. Guaranteed hours offers must reflect the hours that the agency worker has worked under the direction and supervision of that hirer during the relevant reference period. If an agency worker accepts a guaranteed hours offer from a hirer, they will take up a worker’s contract with a hirer and be employed by that hirer. Agency workers will have the right to decline a guaranteed hours offer and remain on their existing arrangement if they prefer.

The legislation will maintain flexibility to cater for different circumstances by placing the obligation to offer guaranteed hours on the hirer by default, whilst regulations will be able to place the obligation on agencies or other intermediaries instead, in certain scenarios.

Eligible agency workers will be entitled to reasonable notice from the agency and hirer and payment for shifts cancelled, curtailed and moved at short notice. Agencies will be responsible for making short notice payments to agency workers so that there are no delays in agency workers receiving payment. As with directly engaged workers, agencies will not have to make a short notice payment where the cancellation, movement or curtailment is initiated by the agency worker. Agencies will be able to recoup short notice cancellation, curtailment or movement payments from hirers.

Common questions

Q. Will it still be possible to use zero hours contracts? They work well for a lot of people.

- The government recognises that some workers need and value the flexibility that a zero hours contract can provide, for example students and people with caring responsibilities. The government would not want to take away this flexibility for these groups.
- Those who are offered guaranteed hours will be able to turn these down and remain on their current contract or arrangement if they wish.
- The government also recognises that there are cases where unions and employers working together may want to agree more tailored conditions than the provisions allow, and which would benefit both the workers and the employer, given the unique context of that particular sector.

Q. In some industries it's not practical to offer a lot of notice for shifts. How will these measures work for different sectors and industries?

- The government is carefully considering the specifics of what 'reasonable' should look like, to ensure this measure works for both workers and employers. Depending on the specific circumstances, it is possible that even very short notice could count as 'reasonable'.
- The government will consult on these measures to inform the details of their implementation.

Q. Will there be different regulations for agency workers?

- The government's priority is to design solutions that work, addressing one-sided flexibility and providing agency workers with greater security, while also retaining necessary flexibility for employers in how they manage their workforces.
- Due to the complex relationship between agency worker, agency and end hirer, the Government is aware the regulations for agency worker provisions may need to be different than those for directly engaged workers.
- The government understands that agency work aims to fill temporary work needs. However, in practice some assignments can be long term, which is why some agency workers are already entitled to equal treatment with permanent workers in numerous respects after twelve weeks.

Key Statistics

Analysis of the ONS Labour Force Survey¹ (LFS) from October to December 2025 shows that there are around 1.2 million people in employment on zero hours contracts in the UK, representing around 3.6% of all people in employment in the UK during that period. Data released by the Office for National Statistics suggests that the sectors which rely most on zero hours contracts are hospitality (accommodation and food), Transport, arts and other services, health & social care, and retail and wholesale trade. Growth in zero hours contracts has stabilised in recent years following significant growth between 2010 and 2016.

Data released by the ONS suggests that the sectors which employ the most workers on zero hours contracts include hospitality (accommodation and food), transport, arts, other services, health & social care, and wholesale and retail. People working on zero hours contracts are more likely to be young (16-24), female or in full time education. 26% report that they would like to work more hours (underemployed), compared to 8% not on zero hours contracts.

Analysis from the Living Wage Foundation¹ (2023) suggests that 59% of variable hours workers receive less than a week's notice of shifts, with 13% receiving less than 24 hours' notice.²

¹ [People in employment on zero hours contracts, Office for National Statistics, 2026](#)

It is estimated that there were approximately 900,000 people working in temporary jobs through an agency in the UK in March 2024, around 140,000 of whom also identified as being on a zero hours contract.³ The Agency Worker Survey (2021) suggested that there is clear demand from agency workers to move onto more secure contracts. 55% of agency workers had requested a permanent contract either themselves or through a third party between January 2019 and September 2020.⁴ When asked for reasons why:

- 30% of respondents wanted more job security, with 21% listing this as the most important reason for requesting a permanent contract.
- A further 30% listed wanting a more regular / consistent working pattern, with 16% listing this as their main reason.
- Wanting more agreeable working hours was also key, listed by 24% of respondents, and by 11% as their main reason.