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Zero Hours Contracts have become increasingly common in the facilities sector as elsewhere particularly in cleaning and catering. Figures from the Office for National Statistics show that 250,000 UK workers are on zero-hours contracts. That represents around 1% of the UK workforce. But a survey of employers by the Chartered Institute of Personnel and Development (CIPD) estimates that the real number is more than one million, with one in five employers having at least one employee on zero-hours. It found that a third of voluntary sector organisations used zero-hours contracts, along with a quarter of public sector employers and 17% of private sector firms.

'Zero-hours contract' is not a legal term. The CIPD defines it as: 'an agreement between two parties that one may be asked to perform work for the other but there is no set minimum number of hours. The contract will provide what pay the individual will get if he or she does work and will deal with the circumstances in which work may be offered (and, possibly, turned down). Simply put a Zero Hours contract means the employer is not obliged to provide the worker with any minimum working hours, and the worker is not obliged to accept any of the hours offered.

Such an arrangement allows an employer to take on staff in response to fluctuating demand for their services without incurring high fixed overheads and with a high degree of flexibility. This can be extremely useful to provide additional manpower for events, seasonal demand, absence cover etc. Many workers also appreciate the flexibility a zero-hours contract gives them. Some 38% of workers in the CIPD research described themselves as employed full-time, working 30 hours or more a week, despite being on zero-hours.

Zero Hours contracts have been the subject of controversy as some believe they falsely reduce the government's unemployment statistics. There is also concern that zero-hours contracts do not offer enough financial stability and security for workers who are often on the lowest pay levels already. The CIPD research found that 16% of zero-hours workers said their employer often fails to provide them with sufficient hours each week to meet their basic needs.

Employees on zero-hours contracts also do not have all the same employment rights as those on traditional contracts, and critics are concerned that the contracts are used to avoid an employer's responsibilities to its employees. The CIPD warns that employers may take advantage of zero-hours contracts by using them as a management tool - offering more hours to employees that 'behave' and fewer to those who cause trouble. Things like mortgages and credit cards may be more difficult to come by without the guaranteed income of a traditional employment contract.

In truth properly written and managed zero hours contracts can be good for both employer and employee where both value the flexibility. In most cases zero hours contracts mean that an employer recruits a 'worker.' However, the way the relationship with that worker develops may enhance the employment status to that of an 'employee', which creates additional employment rights. For example, employee status provides statutory notice rights. Zero Hours staff are entitled to annual holidays in the same way as other workers and have the same rights to things like the minimum wage and travelling time between work locations.

In December 2013, the government announced a consultation exercise on the use of Zero Hours contracts in response to allegations of abuse. Controversial clauses such as exclusivity and the lack of legal definition and guidelines are the issues most likely to be affected.