

Zero-hours and low-hours for contracts are firmly in the Government's sights

New guaranteed hours reforms are expected to require employers to offer workers contracts reflecting the hours they regularly work and not just the hours written into their current contract. Also being proposed are new rules on shift notice and cancellation payments. The consultation on these important reforms closes on 25 August 2026, with associated changes coming into force in 2027.

For hospitality employers, this could materially affect rota planning, casual staffing models and short-notice shift changes. Regular working patterns may also trigger a right to guaranteed hours.

Employers should start reviewing zero-hours, casual and low-hours arrangements now, particularly where staff regularly work beyond their stated contractual hours.

Guaranteed hours reforms: what employers should know.

The Government is consulting on new rules aimed at ending “one-sided flexibility” in zero-hours and similar low-hours arrangements and the consultation closes at 11:59pm on 25 August 2026, with reforms expected in 2027. In broad terms, employers may have to offer workers guaranteed hours where they regularly work more than their contract promises.

At a glance:

- Workers may gain a right to guaranteed hours if their actual working pattern is more regular than their contract suggests.
- The rules are likely to affect zero-hours staff and some low-hours staff, not just those with no guaranteed hours.
- Rota notice, shift changes and cancellation payments are also under consultation.
- Hospitality employers should start reviewing contracts, rota data and seasonal staffing patterns now.

What is proposed?

The key proposal is simple: if a worker regularly works more hours than their contract guarantees, the employer may have to offer a contract that reflects those regular hours.

The detail is still being consulted on. In particular, the Government is asking how “regular” hours should be assessed, with detail being discussed about whether guaranteed hours should be calculated using mean or median hours worked. Separate rules are also proposed

on reasonable notice of shifts and payments where shifts are cancelled, moved or cut short (curtailed) at short notice.

What is the guaranteed hours right?

Where the right applies, the employer would need to make a guaranteed hours offer. If accepted, the worker's contract would be varied or replaced so that it states both the hours the worker must work and the hours the employer must provide.

The right is expected to apply to zero-hours workers and, though the final threshold has not been set, to workers on "similar" low-hours contracts. Ministers have indicated it may fall somewhere between 8 and 20 hours per week and this means hospitality employers should look beyond classic zero-hours arrangements and include staff with a small number of contracted hours who regularly work additional shifts.

The reference period will be central

The reference period will be important. The Government's preferred starting point is 12 weeks, although 26- and 52-week periods are also being considered and, regardless of the reference period, employers will need reliable records showing both contracted hours and actual hours worked. This is because the consultation suggests two possible ways of testing regularity: looking at how many weeks the worker worked during the reference period, or combining that with a total-hours test. In either case accurate rota and payroll records important.

How the guaranteed hours figure is calculated will also matter. A mean average may produce a higher figure where hours fluctuate sharply whereas a median calculation may be more manageable for employers with variable demand, which is common in hospitality.

Shift notice and cancellation payments

The proposed regime is not limited to guaranteed hours. It also covers reasonable notice of shifts and payments where shifts are cancelled, moved or cut short at short notice.

This could be significant for hospitality, where rota changes often arise from fluctuating bookings, no-shows, weather, supplier issues, staff absence or event changes. Businesses that routinely change shifts at short notice should consider now whether their current model will remain workable once notice and payment obligations apply.

Why this matters

Hospitality businesses often need staffing flexibility because demand can change quickly. The proposed rules do not ban flexible working arrangements, but they may make it harder to rely on casual or low-hours contracts where the reality is a regular working pattern.

For hotels, restaurants, bars, pubs, catering businesses and event venues, the main risk is that recurring rota patterns or regular additional shifts could trigger an obligation to offer guaranteed hours, and seasonal peaks will also need careful handling.

Practical steps now

There are though some practical steps that employers can take now, no-matter how the regulations look when they are eventually finalised:

1. Audit contracts: identify zero-hours, casual and low-hours staff who regularly work beyond their stated hours.
2. Check that the people who are on those contracts are genuinely working in that way, and move them onto a more appropriate contract if necessary.
3. Check rota data: review recent 12-week periods and seasonal peaks to understand potential guaranteed hours exposure.
4. Test the staffing model: decide whether casual labour is genuinely short-term or is filling an ongoing requirement.
5. Plan for peaks: consider events, festive trading, summer demand and cancellation risk.
6. Brief managers: prepare for tighter rules on short-notice shift changes and likely payment consequences.