ZERO HOURS CONTRACTS

The latest mutation in vulnerable working

*Unite the union – August 2013*

Precarious working has become a sad factor of UK employment.

At least one million people have no fixed income or fixed hours by which to plan their lives. Unite believes this figure could be even higher.

Zero hours contracts are the latest mutation in precarious working. For a number of years Unions worked to persuade government to act to quell the growth in agency work, which was used to increase the casualisation of labour and reduce security. Once progress was made in this area, rogue employers then lighted on bogus self-employment as the way to cut employment costs. The growth of this phenomenon, alongside increasing normalisation of zero hours contracts, are the latest incarnation of precarious work.

Zero hours contract workers are often in a similar position to agency workers, but with even fewer rights. They cannot access equal treatment at work, as they are often unable to prove 13 weeks of employment that allows them qualify for vital workplace rights.

**Franchising**

One of the key areas that needs to be looked at in the abuse of workers rights, is the rise of franchising in the UK. This type of business arrangement is very common in hotels and high street fast food outlets. Unite’s concern is that franchises often stay under the enforcement radar, but as we have found with hoteliers and Domino’s pizzas, they can have some of the worst employment practices.

Increasingly workers on zero hours, or those who are bogusly self employed, are being locked out of a stable life. Access to credit is denied, as a result insecure workers are barred from mobile phone contracts, obtaining mortgages or rental contracts. Many even struggle to access social security support during periods of work fluctuation.

**Public service workers**

Insecure working has no place in public services. Unite has evidence of 999 call handlers on zero-hour contracts, brought in by the private providers to Cleveland police force. What is more, central government cuts to local authority budgets are making this an increasing problem, as councils seek to reduce costs by outsourcing services, often to the lowest bidder. This situation is set to worsen as 80% of local authority cuts are still due to filter through.

A halt needs to be called on this accelerating contract culture. It has an in-built predilection to cost-cutting and wage assaults. There must be a full assessment of its economic and social impact. This culture does not provide ‘value for money’ for the UK economy, if it puts increasing numbers of working people into insecure roles.

Central and local government action is needed to prevent insecure working through the entire supply chain.
Secure work must be at the heart of strong communities.

Many of the issues that impact upon people employed on zero hours contracts were considered as part of the Commission on Vulnerable Employment (CoVE), but more concrete action needs to be take.

It has often been argued that temporary work provides a way back into employment for unemployed people. That is not the case. Long term unemployment and youth unemployment figures remain unacceptably high and are growing. Also, Unite’s research shows that many workers are on zero hours contracts, at the same employer, for at least 13 months and more often over 36 months. This shows that many are not moving in an out of the labour market.

Instead of returning people to the labour market, zero hours and agency contracts are being applied to those already IN work.

Political action can be taken to make insecure working cultures extremely unattractive to employers and ensure that employees have the power to defend their working standards.

**Action needed includes:**

- **Restoration of sector level collective bargaining** to stop the ‘race to the bottom’ in ‘vulnerable’ sectors including social care, hospitality, retail, food and logistics.

- **Workers should be defined as ‘employees’** to ensure delivery of the National Minimum Wage and associated rights including holidays, maternity and sick pay.

- **Guaranteed hours with a maximum percentage of contracted overtime.** No opt-out without an express ‘compromise agreement’ following legal / trade union advice.

- **The government as the main contractor and purchaser of services should only award contracts** to those employers who police not only their own fair employment practices but those of their entire supply chain.

- **Revoke the coalition’s changes to employment tribunals (ET) fees.** Workers have been priced out of justice by having to pay £1,200 to access an ET to determine their rights and/or to prove mistreatment.

- **New rights to ‘accredited roaming trade union representatives’ to access employer’s premises, review compliance with statutory rights, speak to workers about realities and bring enforcement actions in Employment Tribunals, if necessary.**

- **A mass communication campaign to remind workers of their rights and the steps they can take to enact these safely.** This campaign should also target bad employers, warning them of prosecution and reminding them of their responsibility to build a solid economy for all.
Life in Zero Hours Britain

Unite has been contacted by hundreds of workers – many of whom are not Unite members – to tell us of their experience as zero hours/agency workers.

Common features of this working life include:
• Running out of money during the month
• Debt is routine: borrowing money from friends and/or pay day lenders
• Looking for alternative sources of income
• High levels of anxiety
• No savings or any contingency money
• No access to credit
• Penalties on workers trying to rent accommodation; they must pay rent six months in advance
• Sanctions if the worker speaks out, such as loss of shifts
• Zero hours contracts of at least 13 months, more often of over 36 months – for the same employer

Unite has also found workers being placed on zero hours contracts by the Work Programme (a bid to massage employment stats).

Zero hours contracts can be found right across the economy: police services; social care; electronics; manufacturing; hospitality; and the charitable sector. Common names recurring as zero hours employers include: Sports direct, McDonalds, Boots and Domino’s pizza

Workplace examples

Care worker: “We are being forced this month to move over to zero hour contracts or face dismissal.”

Council worker: “The contract was arranged by my Work Programme provider and local JC+, it seems so that the unemployment figures can be fiddled, and so that the WP provider can get a huge payment.”

Charity shop worker: “I choose to only work three days a week and so far I have always had work when I wanted. An advantage of this arrangement is that I never have to work weekends or Bank Holidays unlike my colleagues on permanent ‘traditional’ contracts. However, unlike my colleagues on ‘traditional’ contracts, I do not receive any formal training, I am not invited to staff meetings or conferences and I do not receive any bonuses or other rewards.

“Recently all staff on ‘traditional’ contracts were given vouchers, even though some work less hours than I.”
**Tesco worker:** “I work 15 hours but need more. No matter how many times I’ve approached my employers they refuse to increase my hours despite taking on at least 20 temps every quarter. The hours are clearly available as I have at least 20 optional overtime hours a week and with the employment of temps.”

**Energy Company:** “It’s a call centre (cold calling). Not only is it zero hours but also a 'self employed' contract which means despite being employees in practice, we have no legal rights as workers at all and no benefits. That in turn means we earn below the minimum wage (£5 per hour) and have a 20 hour trial period at £2.50 per hour. Further to this, as we're on zero hour contracts, we have to wait from week to week to see when we’re called up for, this varies wildly.

“Last week I worked 35 hours, next week I’m working 18. It’s also at very erratic hours, some days I'll have to work in the morning and evening shift (but not the afternoon), other it'll be only morning or only evening. Those of us who (try to) work fulltime are completely unable to make any kind of plans as our wages are about £100 different from week to week (This where the maximum hours worked would earn you £175 per week). It’s a nightmare. I've joined a union (by myself) and hope to recruit others but it’s hard because every week whole swathes of the office are sacked.”

**Care worker:** “There is now a new Manager in place and I am actually fearful to ask her about my contract because there is NO job security where I work - the turn over of staff in the last 2.5yrs I have been there is quite shocking (I am now classed as one of the longer serving workers!) I just fear if I ask her and she investigates sees that I am on 'zero hours' I'm out the door or shifts removed from me”.

**Cinema worker:** “It threatens my quality of life and my ability to pay bills and rent. The managers who are allowed to dictate how many hours they personally get a week don't seem to realise the stress the front of house are put under due to the unpredictable nature of the hours we are given. One week I can work 20+ hours then the next less than 8 hours. The complete disregard for the stress of this system from the management is frustrating and we are given our shifts with a week notice. Basically the cinema dictates what we are doing week to week.

“We give to the manager our availability for the week and are able to change this with a month’s notice (I don’t understand why such a long time to change this since the front of house team is only 25-30 person strong). Recently a new manager to the cinema told us that we were not being honest with our availability and that we could probably give more time to the cinema, this made me angry.

“People still have bills to pay and need to feed themselves and their family so to make this kind of working contract a permanent and acceptable way of employment seems insane. Not to mention the lack of access to sick pay, pension plans and holiday pay.”
THE #ZeroHours HALL OF SHAME

Total number of workers on zero hours contracts

Domino’s Pizza 20,000
3,600 cineworld
SUBWAY 600
TATE 200
McDonald’s 82,800
Boots 4,000
2,600
Burger King 20,000
J D Wetherspoon 24,000
Sports Direct.com 20,000

ONE MILLION UK WORKERS ARE ON #ZeroHours CONTRACTS
DELIVER QUALITY JOBS | END PRECARIOUS WORK