Why Business Owners Should Be Cautious with

Zero-Hour Workers After the 6 January Rule Change

If you run a busy nursery, early-years setting, or small business, flexible staffing is often what keeps things moving. You might rely on bank staff, casual workers, or people who can pick up shifts as and when needed.

But as of **6 January 2026**, UK employment law has changed - and if you use *any kind of zero-hours arrangement*, the risks have changed too.

Below is what you need to know, fast, without the legal jargon.

---

1. What Actually Changed on 6 January 2026?

Two linked changes under the **Employment Rights Act 2025** took effect on 6 January 2026:

a) The Workers (Predictable Terms and Conditions) Act 2023 was repealed

Many employers had begun adjusting policies for the "right to request predictable hours" -but this framework has now disappeared entirely. Any policies based on it no longer have legal force and should be reviewed.

b) A major expansion of the ban on exclusivity terms

The ban on restricting people from taking other work no longer applies only to zero-hour *contracts*. It now applies to *all zero-hour arrangements* -even if they aren't called that on paper.

This is the much bigger change, and it's the one business owners need to pay close attention to.

---

2. Why This Affects More Than "Zero-Hours Contracts"

The law now looks at **how your staffing model works in practice**, not what the contract is titled. A zero-hour *arrangement* exists if:

- You don't guarantee hours
- You offer work only when needed
- You expect people to be available when called

This can cover:

- Bank staff
- Casual workers
- Seasonal workers
- Variable-hours roles
- Staff booked through ad-hoc rotas
- Some agency or platform-style arrangements [lawble.co.uk], [taxoo.co.uk]

For many small businesses, these setups develop informally -which is exactly why the risk now sits with everyday decisions rather than contract wording.

---

3. Why Business Owners Need to Be Cautious

a) You cannot discourage or block people from taking other jobs

Workers under zero-hour arrangements must now be fully free to work elsewhere. This includes indirect behaviour.

Actions that create legal risk now include:

- Cutting someone's shifts after they take another job
- Delaying work offers
- Removing them from the rota
- Expecting "priority availability"

Even subtle pressure or assumptions can now be challenged.

b) Day-to-day management decisions are the real risk

For many small businesses, the biggest danger isn't the contract -it's the quick rota changes you make to keep things running.

A decision that feels practical in the moment (e.g., giving more hours to someone "more flexible") may now look discriminatory or like an exclusivity breach when viewed legally.

c) Labelling something "not zero-hours" won't protect you

Rewording the contract won't get around the law. The government has intentionally shifted the focus to **reality, not labels**.

---

4. What This Means for Nurseries, Early Years and Other Small Businesses

If you're juggling rotas, staff shortages, ratios, or unpredictable demand, these changes are particularly relevant. Sectors called out in the guidance include:

- Retail
- Hospitality
- Social care
- Logistics
- Agency and outsourced staffing

Nurseries and early-years settings often rely on bank staff and flexible workers -which means these rules will affect the majority of settings using variable hours.

---

5. Practical Steps Busy Business Owners Should Take Now

Here's where Pineapple HR would normally step in -but here's a quick checklist you can use today:

1. Review any staff who have no guaranteed hours

Even if you don't use the words "zero-hours", the arrangement might still count.

2. Check your contracts and handbooks

Remove:

- Any exclusivity clauses
- Any wording that hints at prioritising your business above others

3. Train your managers

Most risk now comes from rota decisions, not paperwork. Make sure managers know:

- They cannot penalise someone for having a second job
- Shift allocation should be fair and consistent
- Availability expectations must be clear and non-restrictive

4. Update rota and shift-allocation processes

Have a transparent method for offering shifts and recording decisions.

5. Prepare for workers taking second jobs

This is now protected. Instead of exclusivity rules, manage conflicts of interest and safety (e.g., fatigue, safeguarding, confidentiality).

---

6. Final Thoughts -Staying Compliant While Staying Flexible

These changes don't mean you can't run a flexible staffing model. They just mean employers must be more transparent, more consistent, and less reliant on assumed loyalty from staff who aren't guaranteed hours.

For small organisations where one person is juggling HR, rotas, and day-to-day operations, this shift could create unexpected pressure. But with the right policies and processes, you can stay compliant *and* keep the flexibility you need.

If you'd like support reviewing your contracts, updating policies, or training your team, Pineapple HR can help you navigate the changes in a way that works for your business. Get in touch with me via the website.