

**STATEMENT TO BE MADE BY THE CHAIRMAN OF THE HEALTH AND  
SOCIAL SECURITY SCRUTINY PANEL  
ON TUESDAY 12th JULY 2016**

**Statement on the Panel's review of Zero-Hour Contracts**

Members will have received a copy of the Panel's report on *Zero-Hour Contracts* (S.R.3/2016). I would like to draw Members' attention to our report and, in particular, to our findings and recommendations.

The use of zero-hour contracts has steadily increased in recent years and the proportion is much higher in Jersey than in the UK. 11% of jobs in the Island are worked as zero-hour contracts but in the UK the figure is 2 – 3%. Some of these are second jobs but 3,794 people have a zero-hour job as their primary source of employment. That is approximately 6.8% of the economically active population. These people face the challenge of meeting their living costs from fluctuating and uncertain wages, not being able to plan for their future and working without many of the benefits that are available to employees with permanent jobs.

The trend is upward – the numbers are still rising despite apparent signs of an upturn in the economy. The contracts are heavily used in many employment sectors and across both the private and public sectors. The Panel believes that government should now be pro-active and take steps to ensure these employees are treated fairly. Given the numbers involved, that can only be of benefit to the Island's economy. It would also be consistent with the Island's Strategic Plan and the goal "*to help people in Jersey achieve and maintain financial independence and safeguard the most vulnerable in our community*".

Within the public sector, the number of employees on zero-hour contracts has reduced over the last two years. However, there are still approximately 1,200 States workers who are employed solely on zero-hour contracts. Some of the contracts are justifiable, for example bank nurses or supply teachers but the Panel struggled to understand why medical secretaries within Health and Social Services or Admin Support staff within Education would be employed under zero-hour contracts.

The Panel took a particular interest in the Social Security Department which does not use zero-hour contracts but instead uses agency workers who themselves are engaged by employment agencies on zero-hour contracts. There were 40 such agency workers in the Department in November last year and 11 of them had worked there for a year or more. This suggested to the Panel that at least those 11 were working in posts that should have been permanent positions. The Panel was pleased to hear that subsequently the Department gave 8 agency workers a permanent position and transferred another 5 to a fixed term contract. The Panel hopes that all States Departments will continue to bear down on the inappropriate use of zero-hour or agency contracts, limiting them to cases where hours are truly uncertain and irregular.

One of the Panel's objectives was to determine whether zero-hour contracts are misused in Jersey. We commissioned a survey which was completed by 59 employers and 264 employees who worked or formerly worked under zero-hour contracts. We also took evidence from a number of stakeholders and we are grateful to all who took the time to respond to our survey or otherwise contributed to the Panel's review.

The Panel accepts entirely that there are instances where zero-hour contracts benefit both employer and employee alike and provide the flexibility that each may require in their working relationship. But the Panel found there are other instances where the contracts are misused. For example, employees may be working regular hours over a lengthy period of time, suggesting that their work should be carried out under a permanent contract. Or an employee may have been working for a year or more without the employer reviewing the contract.

Last year the Jersey Advisory and Conciliation Service produced a Zero-Hour Contracts Guide. It seeks to promote good practice in the use of zero hour contracts but regrettably few employees seem to know about it. The Panel has made recommendations which are intended to increase awareness of the Guide.

The Guide recommends that employers carry out a review of a zero-hour contract after an employee has worked for six months. The Panel recommends that this should be written into law as a means to ensure employers and employees take a look at whether the contract they entered into at the beginning of their relationship still reflects the reality of their situation. Without that trigger, any original intention to review the contract will often drift and never take place.

The Panel was reminded during its review that Social Security Inspectors visit businesses to inspect employment records and enforce payment of the minimum wage. They are in a position to see the hours being worked by employees on zero-hour contracts and the Panel recommends that the Department should be able to make a reference to the Employment Tribunal for a ruling on a zero-hour contract in cases which cannot be resolved by negotiation.

Our report also addresses other difficulties around zero-hour contracts, for example the question of compensation for employees when work is cancelled without notice.

An employment sector of particular interest to the Panel was domiciliary care. Though not exclusively, a high number of carer jobs are worked on a zero-hour basis. Some care workers visit multiple clients at various locations each day; however, the time taken to get to and from each location is not always paid. The Panel believes this is a fundamental misuse of zero-hour contracts as it is unreasonable to expect carers not to be paid for the time spent travelling between clients.

There are a number of other recommendations we make and we trust that the Minister will carefully consider all of them with the same intent – to better protect vulnerable hardworking people who are making a valued contribution to Island life.