

Response to the Department for Business and Trade consultation *Make Work Pay: Strengthening the Law on Tipping*

Respondent: Arts Students' Union

Response type: Organisational response representing the views of Arts Students' Union and its student members

Introduction

Arts Students' Union represents over 22,000 students studying creative disciplines at University of the Arts London (UAL), one of the largest specialist art and design universities in Europe.

Like many students across the UK, a significant proportion of our members undertake paid work alongside their studies in order to meet living costs. [National surveys of higher education students consistently show](#) that more than half of full-time students undertake some form of paid employment during term time, often working between 10 and 20 hours per week. The sectors most likely to employ students include hospitality, retail, and events-related work, which offer flexible shifts that can be combined with study commitments.

For students studying creative disciplines in London in particular, hospitality, events, and cultural venues often provide the most accessible forms of flexible employment that can fit around studio schedules, rehearsals, exhibitions, and project-based coursework. Many of these workplaces (including cafés, bars, restaurants, theatres, music venues, galleries, and event spaces) operate tipping systems or service charges. In these settings, tips can form a meaningful supplement to hourly wages, particularly for workers employed part-time or on casual contracts.

This pattern of employment often continues after graduation. The creative industries are characterised by portfolio careers and periods of irregular income, particularly in the early stages of creative practice. As a result, many creative graduates continue to work in hospitality, events, and cultural venues while establishing their careers. Data from the UK Graduate Outcomes survey indicates that [around 22% of creative arts graduates work in retail, waiting or other customer service roles shortly after graduating](#), with over 24% of fine arts graduates working in retail, catering, waiting or bar work. These sectors therefore play an important role in supporting both students and early-career creative workers.

We therefore welcome the Government's consultation on strengthening the law on tipping and the opportunity to share the perspectives of student workers and early-career creative workers. We support measures that increase transparency, fairness, and worker voice in how tips are distributed.

However, it is important that reforms take account of the realities of student and early-career employment. Many workers in sectors where tipping is common are employed on casual, part-time, or zero-hours contracts, and workplaces often experience high levels of

staff turnover. Workers in these circumstances may have limited knowledge of their employment rights and may feel reluctant to challenge workplace practices due to the insecure nature of their employment.

This response highlights how the proposed measures may affect student workers and workers in the creative and cultural sectors.

Student workers and tipped employment

Students studying creative disciplines frequently rely on part-time work in sectors where tipping is common. Hospitality, events, and cultural venues offer employment that can fit around study schedules and project-based creative work. This reflects broader national trends: the [Student Academic Experience Survey 2025](#) found that 68% of full-time university students undertake paid work during term time, a significant increase over recent years.

Students who work alongside their studies also often work substantial hours. [Research on student employment](#) suggests that working students average around 17 hours of paid work per week, reflecting the growing financial pressures facing students and the need to cover living costs while studying.

For students studying creative disciplines in particular, hospitality and events work often intersects with the cultural sector. Many cultural venues (including theatres, galleries, music venues, and arts centres) employ front-of-house staff, bar staff, and event workers on casual or part-time contracts. These roles can provide flexible employment that complements creative practice, allowing students to work shifts alongside rehearsals, exhibitions, or studio work.

Examples of employment commonly undertaken by arts students and creative graduates include:

- Hospitality work in cafés, restaurants, and bars
- Front-of-house roles in theatres and live performance venues
- Event and festival staffing
- Catering and bar work at cultural venues
- Work in music venues and galleries
- Event hospitality and production support roles

In these contexts, tipping practices can vary significantly between workplaces. Some employers operate transparent pooled systems, while others rely on opaque arrangements such as informal tip pooling or tronc systems that workers may not fully understand.

For workers on relatively low hourly wages and irregular hours, tips can represent an important supplement to income. Ensuring that tips are distributed fairly and transparently is therefore particularly important for student workers. This is particularly relevant in

hospitality, which has one of the [highest proportions of low-paid jobs](#) in the UK labour market.

Worker consultation on tipping policies

The consultation proposes strengthening requirements for employers to consult workers when developing or reviewing tipping policies. Arts Students' Union supports this proposal.

Consultation can help ensure that tipping policies are fair, transparent, and understood by workers. However, it is essential that consultation requirements reflect the realities of sectors where many student workers are employed. Many hospitality and events workplaces rely heavily on casual, part-time, or zero-hours staff. Student workers are particularly likely to fall into these categories. As a result, traditional workplace consultation structures may not capture their views.

Consultation requirements should therefore explicitly ensure that:

- Casual, part-time, and zero-hours workers are included in consultation processes
- Temporary or seasonal workers are given opportunities to participate
- Consultation mechanisms are accessible to workers who may not work regular hours

Employers should be encouraged to use flexible consultation methods such as digital surveys, staff meetings at different times of day, or anonymous feedback mechanisms.

In sectors with high workforce turnover, including hospitality and events, consultation processes should also be repeated periodically to ensure that new staff have the opportunity to contribute.

Transparency and accessibility of tipping policies

Transparency in the allocation of tips is one of the most significant concerns raised by workers in sectors where tipping is common, particularly for those employed on casual or part-time contracts. Student workers frequently enter workplaces with limited prior experience of tipping systems and may not receive clear explanations of how tips or service charges are handled.

Recent changes to UK legislation reflect these concerns. The Employment (Allocation of Tips) Act 2023 introduced new legal obligations requiring employers to pass on qualifying tips, gratuities and service charges to workers and to ensure that they are distributed in a fair and transparent manner.

Alongside this legislation, the government published the Code of Practice on Fair and Transparent Distribution of Tips, which provides guidance for employers on how to meet these requirements and promote transparency in tip allocation. Workers must be able to

understand how tips are distributed and should have access to information about the systems used to calculate their share.

However, in practice many workers report that tipping systems can be difficult to understand. In many hospitality workplaces, tips left via card payments are pooled and distributed through tronc systems, where tips are administered by a designated person or system separate from the employer's payroll. While these systems can be used to distribute tips fairly, workers may struggle to understand how allocations are calculated if policies are not clearly explained.

Lack of transparency can create uncertainty and undermine trust between workers and employers. Workers may not know:

- how tips are pooled and distributed across teams
- whether managers or supervisors receive a share of tips
- how service charges added to bills are allocated
- when tips collected through card payments will be paid to staff

Guidance from Advisory, Conciliation and Arbitration Service (ACAS) highlights that employers should have a clear tipping policy and ensure that tips, gratuities and service charges are shared between workers in a fair and transparent way. For workers employed on relatively low hourly wages and irregular shifts, tips can represent an important supplement to income. Ensuring that workers understand how tips are distributed is therefore essential to maintaining trust in the system and ensuring that customers' intentions are respected.

Arts Students' Union therefore supports measures that require employers to communicate tipping policies clearly and transparently to workers. Workers should be provided with accessible written explanations of how tipping operates within their workplace. This information should ideally be provided at the start of employment and should include:

- how tips and service charges are collected
- whether tips are pooled and how tip pools are calculated
- which categories of staff are included in the distribution
- when tip payments will be made and how they will appear in pay
- how workers can raise questions or concerns about tip allocation

Clear communication is particularly important in sectors with high levels of casual or temporary employment. Hospitality and events workplaces frequently rely on part-time, seasonal, or zero-hours staff, many of whom may only work in a role for a short period of time. Providing clear information about tipping policies during staff induction can help ensure that all workers understand how tips are distributed and can raise concerns if necessary. Strengthening transparency requirements in tipping policies would therefore help improve worker confidence in tipping systems and ensure that workers receive the income that customers intend them to receive.

Application of the Statutory Code of Practice

The existing statutory Code of Practice provides useful guidance on fair distribution of tips. However, additional clarification may be helpful for workplaces with large numbers of casual workers and complex staffing structures.

This is particularly relevant in cultural venues and events settings. For example, theatres, music venues, festivals, and galleries often employ workers across multiple roles including:

- Bar staff
- Ushers or front-of-house staff
- Catering teams
- Event staff
- Agency workers

In these environments, tip distribution systems may need to account for team-based service models and short-term staffing arrangements.

Additional guidance within the Code of Practice could help employers determine fair methods for allocating tips across different roles in these contexts. This would also help ensure that workers performing customer-facing roles are appropriately recognised in tip allocation systems.

Confidence to raise concerns

The consultation raises important questions about workers' confidence in asking about tip distribution. In our view, many student workers may feel hesitant to challenge tipping practices in the workplace.

This reflects broader issues affecting young workers and workers on insecure contracts. Students employed on casual shifts, temporary contracts, or zero-hours arrangements may worry that raising concerns could affect their ability to secure future shifts or continued employment. This is particularly relevant in sectors such as hospitality and events, where work is often allocated informally and workers may rely on maintaining good relationships with managers in order to receive regular shifts.

As a result, enforcement mechanisms that rely primarily on individual workers raising formal complaints or pursuing legal action may not always be effective for workers in insecure employment. Student workers may lack confidence, time, or knowledge of employment rights to pursue formal processes, particularly where they are employed only temporarily. Measures to strengthen transparency and consultation may therefore help reduce the need for disputes in the first place. Clear communication about tip allocation systems can improve trust between employers and workers and reduce misunderstandings about how tips are distributed.

In addition, there are a number of practical steps that could help improve workers' confidence in raising questions or concerns about tip distribution:

1. Clear internal reporting routes

Employers should ensure that workers have simple and clearly communicated ways to raise questions about tipping policies. This could include identifying a designated manager or supervisor responsible for answering questions about tip allocation.

2. Anonymous feedback mechanisms

Where possible, employers should provide opportunities for workers to raise concerns anonymously. For example, workplaces could use staff surveys, suggestion boxes, or digital feedback systems to allow workers to highlight issues without fear of negative consequences.

3. Inclusion of casual workers in consultation processes

Consultation on tipping policies should explicitly include part-time, seasonal, and zero-hours workers. Because these workers may not attend regular staff meetings, employers should consider alternative consultation methods such as digital surveys or online consultation tools.

4. Accessible information about workers' rights

Government and advisory bodies could play a role in improving awareness of tipping rights among younger workers. Guidance from organisations such as ACAS should be clearly accessible and written in plain language so that workers entering the labour market for the first time can easily understand their rights.

5. Induction and training

Employers should ensure that tipping policies are explained during staff induction and that workers are informed about how they can raise concerns if necessary. This is particularly important in workplaces with high staff turnover, where workers may only remain in a role for a short period of time.

Taken together, these measures could help ensure that workers feel more confident in asking questions about tip distribution and reduce the likelihood of disputes arising. Improving transparency and communication around tipping policies would also help ensure that the intention of tipping legislation (that workers receive the tips intended for them) is realised in practice.

Enforcement and awareness

Awareness of tipping rights remains limited among many workers, particularly younger workers entering the labour market for the first time. Students working part-time jobs alongside their studies may not be aware that legislation requires employers to pass on tips

in full and distribute them fairly. Improving awareness of these rights would help ensure that the legislation achieves its intended impact. This could include:

- Guidance aimed specifically at young workers
- Clear information provided through ACAS or other worker advice services
- Encouraging employers to explain tipping policies during staff induction

Improved awareness would help ensure that workers understand how tips should be distributed and how to raise concerns if issues arise.

Summary of recommendations

Arts Students' Union supports the Government's efforts to strengthen tipping legislation and improve fairness and transparency in tip distribution. To ensure that these reforms benefit student workers and workers in creative and cultural sectors, we recommend the following:

1. Consultation processes should include casual and temporary workers. Many student workers are employed on part-time, zero-hours, or seasonal contracts and should be explicitly included in consultation requirements.
2. Tipping policies should be clearly communicated to workers. Employers should provide written explanations of how tips and service charges are collected, pooled, and distributed.
3. Guidance should address workplaces with complex staffing structures. Cultural venues, events settings, and hospitality businesses with large casual workforces would benefit from additional guidance within the Code of Practice.
4. Government should improve awareness of tipping rights among young workers. Many student workers may not be aware of their rights under tipping legislation.
5. Measures should recognise the vulnerability of workers on insecure contracts. Enforcement and transparency mechanisms should take account of the fact that casual workers may be reluctant to challenge workplace practices.