
Report To:	Policy and Resources Committee	Date: 22 May 2018
Report By:	Corporate Director Environment, Regeneration & Resources	Report No: PR/17/18/SA/BH
Contact Officer:	Brendan Hurrell	Contact No: 712654
Subject:	Unite Construction Charter	

1.0 PURPOSE

- 1.1 The purpose of this report is to ask the Committee to agree to the use of an Inverclyde Council Construction Charter.

2.0 SUMMARY

- 2.1 The development of Construction Charters is a trade union campaign across UK local authorities to lay down a minimum set of standards, conditions and expectations from construction companies who tender for contracts in the public sector. This has been pursued mainly on a council by council basis by the respective Trade Unions. Councils have also been written to by Unite to request that they agree to a Construction Charter. A copy of this letter is attached in Appendix 3.
- 2.2 The first charter to be signed was in Liverpool in September 2015 with the local council and the construction trade unions. More recently Aberdeen City, Fife, North Lanarkshire, Renfrewshire and North Lanarkshire Councils have put in place their own construction charters. A copy of North Ayrshire Council's charter is contained in Appendix 1.
- 2.3 These charters have sought to improve on the starting point agreed in Liverpool, with individual councils agreeing to bespoke charter arrangements for their authority which take consideration of a range of local and operational circumstances.
- 2.4 The Council has been asked by the unions to develop its own construction charter to cover all areas of activity in relation to all construction contracts it delivers. The draft Construction Charter for Inverclyde Council is attached in Appendix 2.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee agrees to the use of the Construction Charter as detailed within Appendix 2.

Scott Allan
Corporate Director
Environment Regeneration and Resources

4.0 BACKGROUND

- 4.1 The development of Construction Charters is a trade union campaign across UK local authorities to lay down a minimum set of standards, conditions and expectations from construction companies who tender for contracts in the public sector. This has been pursued mainly on a council by council basis by the respective Trade Unions.
- 4.2 Inverclyde Council has adopted a set of standard questions as part of its Fair Working Practices Policy. This policy requires that fair Working Practices are given a weighting of up to 5% in construction tenders. The Fair Working Practices policy deals with the issues contained within the Construction Charter.

5.0 PROCUREMENT AND THE CONSTRUCTION CHARTER

- 5.1 The draft Construction Charter for Inverclyde Council is attached in Appendix 2. There are aspects of the Construction Charter which can be mandated as a minimum standard within a tender. However there are other aspects which cannot. The Fair Working Practices policy and standard questions that are used in construction tenders are aimed at assessing a tenderer's ability to comply with polices that cannot be legally mandated such as payment of the Scottish Living wage.
- 5.2 The intention would be for officers to adapt the existing fair working practices question to capture each heading within the Inverclyde Council Construction Charter and use this to assess tenderer compliance.

6.0 IMPLICATIONS

Finance

- 6.1 There are no financial implications arising from this report.

Cost Centre	Budget Heading	Proposed Spend this report	Virement from	Other comments

Legal

- 6.2 Legal and Property Services have been consulted on the content of this report.

Human Resources

- 6.3 There are no Human Resources issues associated with this report

Equalities and Diversity

- 6.4 There are no Equality and Diversity issues associated with this report

7.0 BACKGROUND PAPERS

- 7.1 None

Appendix 1

North Ayrshire Council Construction Charter

As a Local Authority we either directly procure, or are the planning authority, for a multitude of construction projects. It is our intention to promote and support positive workforce practices involving "**Direct Employment**" on all construction projects which we procure. We expect all construction companies who secure contracts on these projects within our boundaries to comply fully with this charter.

Health and Safety

The health and safety of all workers is paramount. We expect all contractors to ensure that:

- Health and safety regulations and standards are rigorously implemented and adhered to;
- Welfare facilities for construction workers are appropriate for the 21st century, including reasonable standards for toilets, amenities and drying facilities in accordance with the Construction, Design and Management Regulations 2015.

The Non Profit Distributing (NPD) programme, alternatively known as HUBCOs, must include local community benefits, in particular local jobs and apprenticeships, and help local SME's develop the capacity to take on those infrastructural projects. The Scottish Government should work with relevant bodies to produce strong and clear guidelines on Community Benefit Clauses for externally awarded contracts through HUBCOs and that those contracts uphold the working practices contained herein.

Employment Standards

We require the highest standards of project delivery in order to ensure that North Ayrshire's people's aspirations are met and the projects serve our communities well in the years to come. We are also mindful of the projected skills shortage across the sector and wish the industry to train the next generation of skilled workers for the future. We therefore encourage, and will require where appropriate, all contractors to:

- Be able to demonstrate the skill level of their employees on the project by ensuring appropriate checks are carried out by contractors;
- Comply with the employment and skills requirements set out in our tender documents, promoting and encouraging full apprenticeships;
- Prioritise hard to reach and under-represented groups in employment, training and skills initiatives;
- Work with us to support initiatives aimed at promoting and improving opportunities in education and training of employers and employees engaged on all construction projects within our authority.

Pay and Benefits

This Council is a Living Wage employer and will encourage all construction companies working on its contracts to adhere to that policy.

Where workers are not directly connected to industry collective agreements then the living wage is a minimum standard and we will promote and encourage that those companies are registered with the Scottish Living Wage Accreditation Initiative.

We also expect that all employees, and encourage that all workers, should have access to:

- Paid holiday,
- A sickness benefit scheme,
- A pension scheme,
- Accident compensation,
- Death in service benefits.

Employment Rights

This Council expects direct employment by contractors and sub-contractors on a PAYE Class / National Insurance basis. We believe that Trade Unions play an important role in creating a safe and

productive worksite and developing good industrial relations. We therefore expect our contractors, within the context of the contract let, to:

- Employ workers under recognised industry collective agreements as set out in SJIB, SNIJB, BESA, CIJC, NAECI and TICA or other EU equivalent,
 - Promote the benefits of belonging to a recognised Trade Union,
 - Recognise on-site Shop Stewards as having an important role to play in achieving and promoting good industrial relations,
 - Ensure that the Trade Union has input into the development of Health and Safety policy (to ensure members' priorities are reflected),
 - Actively promote the election of Health and Safety Representatives and support their role in helping to ensure a safe site,
- Provide equality and opportunity for all,
Be able to certify that they have not engaged in the practice of blacklisting workers for any reason.

This Council also supports the Get Britain Building campaign which is aimed at supporting and sustaining the construction industry in Great Britain. Consequently, we seek to maximise the building materials used on Council construction projects that are covered by BES6001 Responsible Sourcing of Construction Products Certificate or equivalent.

North Ayrshire Council looks forward to working with contractors to help support the aims set out in this Charter.

Appendix 2

Inverclyde Council Construction Charter

As a Local Authority we are responsible for the procurement of a multitude of construction projects. It is therefore appropriate that we as a responsible client enter into this agreement and commit to working with the appropriate trade unions, in order to achieve the highest standards in respect of; direct employment status, health & Safety, standard of work, apprenticeship training and the implementation of appropriate nationally agreed terms and conditions of employment. The following shall be assessed for all contractors and their supply chain engaged by this Authority: -

Health and Safety

The health and safety of all workers is paramount. We expect all contractors to ensure that:

- Health and safety regulations and standards are rigorously implemented and adhered to;
- Welfare facilities for construction workers are appropriate for the 21st century, including reasonable standards for toilets, amenities and drying facilities in accordance with the Construction, Design and Management Regulations 2015.

Employment Standards

We require the highest standards of project delivery in order to ensure that Inverclyde people's aspirations are met and the projects serve our communities well in the years to come. We are also mindful of the projected skills shortage across the sector and wish the industry to train the next generation of skilled workers for the future. We therefore encourage, and will require where appropriate, all contractors to:

Be able to demonstrate the skill level of their employees on the project by ensuring appropriate checks are carried out by contractors;

Comply with the employment and skills requirements set out in our tender documents, promoting and encouraging full apprenticeships;

When possible - Prioritise hard to reach and under-represented groups in employment, training and skills initiatives;

Work with us to support initiatives aimed at promoting and improving opportunities in education and training of employers and employees engaged on all construction projects within our authority.

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A sickness benefit scheme,

A pension scheme,

Accident compensation,

Death in service benefits.

The Non Profit Distributing (NPD) programme, alternatively known as HUBCOs, should include local community benefits where this is possible, in particular local jobs and apprenticeships, and help local SME's develop the capacity to take on those infrastructural projects. The Scottish Government should work with relevant bodies to produce strong and clear guidelines on Community Benefit Clauses for

externally awarded contracts through HUBCOs and that those contracts uphold the working practices contained herein

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- Recognise on-site Shop Stewards as having an important role to play in achieving and promoting good industrial relations,
- Ensure that the Trade Union has input into the development of Health and Safety policy (to ensure members' priorities are reflected),
- Actively promote the election of Health and Safety Representatives and support their role in helping to ensure a safe site,
- Provide equality and opportunity for all,
- Be able to certify that they have not engaged in the practice of blacklisting workers for any reason.

This Council also supports the Get Britain Building campaign which is aimed at supporting and sustaining the construction industry in Great Britain. Consequently, we seek to maximise the building materials used on Council construction projects that are covered by BES6001 Responsible Sourcing of Construction Products Certificate or equivalent.

Inverclyde Council looks forward to working with contractors to help support the aims set out in this Charter.

Unite the Union
John Smith House
145- 165 West Regent Street
Glasgow G2 4RZ

Tel: 0141 375 7070



SCOTLAND REGION

I am writing to you as the Regional Secretary of Unite the Union in Scotland, the largest trade union in Scotland and a key signatory to all national agreements in the construction sector. My union campaigns to improve standards throughout the construction industry, including; improving health and safety for workers, ensuring the payment of fair wages, guaranteeing protection at work and promoting local employment. Unite also works tirelessly to end some of the bad practices that unfortunately exist in construction and to end the blacklisting of construction workers for trade union membership and activities.

Unite members have formed my union's objectives into a Construction Charter. This charter aims to improve the actions and behaviours within the industry. Construction plays a major role in the Scottish economy and councils play a key role in procurement on many construction projects. As your council is a major procurer of services from the construction industry I am asking for your support.

Throughout Scotland councils have adopted fully the provisions of our charter and have publicly affirmed their commitment to work with Unite and other trade unions to ensure the charter is applied on all construction projects. I would like your council to give meaningful consideration to joining with them and adopting in full our Construction Charter. I have enclosed a copy of the charter and a draft motion which your council can pass to show its support. Please let me know if you are willing to support our charter. My union would be happy to publicise your signing.

If you have any questions about my union's Construction Charter and to inform Unite of your councils acceptance of the charter please contact my colleague Willie Thomson, 07810 157 910 willie.thomson@unitetheunion.org who will be happy to assist you.

Finally, I would like to thank-you for giving meaningful consideration to this issue and I look forward to hearing your response. I'm sure you will agree that the provisions contained in our charter will benefit workers and local communities alike. I hope I can rely on your support to achieve our goal of having all 32 councils in Scotland support our charter and to improve working conditions throughout the construction industry.

Yours sincerely,

Pat Rafferty
Regional Secretary – Unite Scotland.
Unite the union
Scotland

CHIEF EXECUTIVE	
RECEIVED	
24 APR 2013	
FILE 12	FOR S. McNab

Len McCluskey
General Secretary

www.unitetheunion.org

CONSTRUCTION CHARTER

As a Local Authority we are responsible for the procurement of a multitude of construction projects. It is therefore appropriate that we as a responsible client enter into this agreement and commit to working with the appropriate trade unions, in order to achieve the highest standards in respect of; direct employment status, health & Safety, standard of work, apprenticeship training and the implementation of appropriate nationally agreed terms and conditions of employment. The following shall be a requirement for all contractors and their supply chain engaged by this Authority: -

1. All parties recognise that the highest level of compliance with current HMRC regulations must be achieved where public funds are utilised. It is therefore a contractual requirement that all operatives are directly employed on a PAYE basis under a contract of employment. Furthermore the use of intermediary pay roll company will be prohibited on all contracts.
2. Health and Safety of workers on all of our construction projects is paramount. It is therefore a requirement that all contractors rigorously implement and adhere to our minimum standards for health and safety, as set out in our procurement documents. In addition we require all contractors to provide quality welfare facilities fit for purpose in accordance with the Construction Design and Management Regulation of 2015.
3. It is a recognised fact that the presence of trade union safety representatives significantly improves safety in the workplace. Contractors and their supply chain are required to work collaboratively with the appropriate trade unions to identify and implement reasonable real-world initiatives.
4. The Authority requires all projects to be completed to the highest standard, so as to meet the aspirations of the residents of this Authority. In order to achieve this it is recognised that it is necessary that all workers are competent and have the appropriate level of skill to carry out the work they are employed to do. To assist in the achievement of this goal the Authority's contractors and their supply chain will ensure they retain documented evidence that all workers are competent to carry out the work they have been employed to do. They will ensure that such evidence is retained in a way as to allow the Authority or its nominee's to audit the documentation. Possession of the recognised industry skills / grade card such as JIB or CSCS will be considered acceptable evidence
5. The Authority is mindful of the industry skills shortage and the need to address this through appropriate apprenticeships, including adult training in up skilling. The Authority's contractors and supply chain will in consultation with the Authority and other interested parties develop and implement a programme that addresses the skills shortage and provides training opportunities to local residents.

6. The Authority recognises the right of all construction workers to be employed under and to be protected by the appropriate national industry collective agreement. The Authority requires full compliance with all appropriate national agreements applicable to the construction industry.
7. All contractors and their supply chain will accept the right of any trade union that is a signatory to an appropriate national agreement, to appoint shop stewards, workplace health & safety representatives and Union Learning Reps. All trade union accredited representatives will be granted appropriate time and facilities to carry out their responsibilities.
8. The Authority, its contractors and their supply chain are committed to a fair and transparent recruitment policy. All contractors and their supply chain will actively ensure that the engagement of labour is based on the individual's ability to meet the needs of the project and the specific tasks for which they are recruited to undertake.
9. The Authority its contractors and their supply chain agree it's not acceptable for anyone to use or make reference to any form of blacklist.
10. The Authority recognises the benefit trade unions bring to the workplace and the rights of workers to hear from trade union representative. The Authority's contractors and their supply chain are required to allow access to nominated trade union officer from trade unions that are signatories to the appropriate national agreements. Access shall mean access to welfare facilities during working times so as to allow them to consult with their members and potential members.
11. All relevant construction contracts will be required to comply with the Sustainable Buying Standard for Highways and Construction Materials, which requires structural steel and other relevant materials to be covered by BES 6001 Responsible Sourcing of Construction Product certification, or equivalent.
12. The Scottish Future Trust's Non Profit Distributing (NPD) programme alternatively known as HUBCO's was developed to deliver infrastructure projects for the Scottish Government. As such, they must include proper local community benefits, in particular local jobs and apprenticeships and help local SME's develop the capacity to take on those infrastructural projects. The Scottish Government should work with Local Authority to produce strong and clear guidelines on Community Benefit Clauses for externally awarded contracts through HUBCOs and that those contracts uphold the working practices contained herein. Employment and skills.

Local Authority Chief Officer

UNITE the UNION

Name:

Name:

Signature:

Signature:

Date of signing:

Date of signing: