

<b>Subject:</b>	<b>CHARTER FOR THE CONSTRUCTION SECTOR</b>		
<b>Date of Meeting:</b>	<b>14 June 2018</b>		
<b>Report of:</b>	<b>Executive Director, Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Clifford Youngman</b>	<b>Tel: 01273 291408</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 A Notice of Motion relating to the Unite Construction Charter was passed at the Full Council meeting on 19 April 2019.
- 1.2 In order to adopt the provisions of the Charter, Committee consideration is required.

**2. RECOMMENDATIONS:**

- 2.1 That Committee notes the provisions (see Appendix 1) of the UNITE Union Construction Charter.
- 2.2 That Committee notes the aims of Charter.
- 2.3 That Committee delegates the power to the Executive Director, Finance & Resources, after consultation with the Procurement Advisory Board, to take all steps necessary for the implementation of the Construction Charter provided those steps are consistent with the advice or recommendations of the Procurement Advisory Board.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The council maintains a commitment to social value, and as such reviews its procurement processes on an ongoing basis. In doing so officers explore opportunities trialled elsewhere, including work undertaken by Preston and other authorities.
- 3.2 Separately, the UNITE union has members across many sectors of the economy, and following its merger with the Union of Construction, Allied Trades & Technicians (UCATT) in January 2017, now represents a significant number of its members in the construction industry.
- 3.3 A priority campaign in the sector involved challenging poor practice within the industry that compromises the welfare of workers.

3.4 The Charter covers eleven requirements for contractors and their supply chain. It has been adopted by a number of councils on the basis that it supports increased fairness for workers.

#### **4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS**

4.1 The council has a strong commitment to social value and sustainability (overall approach summarised in Appendix 2). It adopted its Social Value Framework with local partners (including the Clinical Commissioning Group, the University of Brighton, and Community Works). This has since been replicated by a number of other local authorities.

4.2 The council maintains a commitment to review its approach to contracting and procurement on an ongoing basis, and the Notice of Motion passed by Council provides a further opportunity to do this.

4.2 Appendix 1 sets out the provisions of the Unite Union Charter.

4.3 Several of these are already explicitly or partly adhered to and form part of the council's standard contracting procedures. For example those relating to health & safety (number 2 in Appendix 1), evidence of competence (number 4), and apprenticeships (number 5). With some further clarification, these provisions can be adopted in a straight forward fashion.

4.4 In addition, there are other provisions where adoption is equally straight forward and which would be beneficial by clearly increasing fairness:

- Fair and transparent recruitment practice (number 8).
- Commitment against any form of blacklisting (number 9).

4.5 There are areas of the Charter that require further analysis in order to ensure that, for example, procurement processes becoming less attractive to SMEs because of additional requirements / additional costs. This type of outcome could hinder ambitions to capture social value within the city, and also the council's ambition to capture community wealth, along the lines of the *Preston Model*.

4.6 Once this further work is completed, the Charter will be adopted in an appropriate form, i.e. one that avoids any unintended consequences.

4.7 Procurement officers will work with Orbis Public Law to update standard terms in construction contracts as appropriate.

#### **5. COMMUNITY ENGAGEMENT & CONSULTATION**

5.1 As part of the work to implement the Charter, consultation will take place with trade unions and representatives from the local construction sector.

5.2 In addition, to support effective implementation, intelligence will be sought from councils that have already implemented the Charter.

## 6. CONCLUSION

- 6.1 It is recognised there are benefits to applying the Charter; furthermore some of its provisions are covered by existing practices, or can be easily implemented. There are however certain complexities that need to be analysed and worked through in order to avoid unintended consequences, for example concerning access to council contracts for SMEs.
- 6.2 This work will be the responsibility of the Executive Director, Finance & Resources with member oversight through the Procurement Advisory Board.

## 7. FINANCIAL & OTHER IMPLICATIONS:

### Financial Implications:

- 7.1 The costs of implementing the Charter are confined to the time of officers in the Procurement and Orbis Public Law teams.
- 7.2 Although not possible to quantify, changes to requirements stipulated for companies that contract with the council may build in extra contractual costs.

*Finance Officer Consulted: David Kuenssberg* *Date: 28/5/18*

### Legal Implications:

- 7.3 In order to comply with EU public procurement directives and domestic regulations we need to ensure that the implementation of the principles in the Charter do not breach our obligations to ensure non-discrimination, equal treatment and transparency when conducting procurements. The legal implications relating to the implementation of the principles will be reported to the Procurement Advisory Board and will assist them in making recommendations.

*Lawyer Consulted: Alice Rowland* *Date: 16/05/18*

### Equalities Implications:

- 7.4 None.

### Sustainability Implications:

- 7.5 None.

### Any Other Significant Implications:

- 7.6 None.

## **SUPPORTING DOCUMENTATION**

### **Appendices**

1. Provisions of the Unite Union Charter.

### **Documents in Members' Rooms**

None.

### **Background Documents**

None.

**PROVISIONS OF THE UNITE UNION CONSTRUCTION CHARTER**

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 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. The Authority supports the Get Britain Building campaign, which is aimed at supporting and sustaining the British construction industry. Consequently, all relevant construction contracts will be required to comply with our Authority's 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.