

Crawley Borough Council

**Report to Cabinet
31 October 2018**

Adopting the Unite Construction Charter

Report of the Head of Corporate Finance – **FIN/453**

1. Purpose

- 1.1 The Council has made a commitment to support the implementation of the minimum standards outlined in the Unite Construction Charter and as a result the Procurement Code requires updating and further approval.

2. Recommendations

- 2.1 The Cabinet is recommended to:

- a) Approve the Council's commitment to support the implementation of the Unite Construction Charter principles.
- b) Delegate authority to the Head of Corporate Finance to take the necessary steps for the implementation of the Unite Construction Charter principles into future relevant construction contracts subject to an assessment of the implications on a case by case basis. (*Generic Delegation 8 will be used to enact this recommendation*)
- c) Request that the Head of Corporate Finance in consultation with Head of Legal, Democracy and HR, use their delegation to amend the Procurement Code to incorporate the Unite Construction Charter principles (subject to the approval of recommendation 2.1a). (*Generic Delegation 8 will be used to enact this recommendation*)

3. Reasons for the Recommendations

- 3.1 Crawley Borough Council reviews its procurement processes on an ongoing basis but any major policy change requires further approval. As a local authority, the Council is responsible for the procurement of a multitude of construction projects. It is therefore appropriate to commit support to the principles within the Unite Construction Charter and signing up to the charter represents a commitment to Crawley and the charter's core principles.
- 3.2 The charter will cover important local authority construction projects including a range of residential, commercial and public realm improvements and commits the Council to achieve the highest standards in respect of direct employment status, health and safety, standards of work, apprenticeship training and the implementation of appropriate nationally agreed terms and conditions of employment.

4. Background

- 4.1 The Council maintains a commitment to social value, and as such reviews its procurement processes on an ongoing basis.
- 4.2 The Unite Union has members across many sectors of the economy, and following its merger with the Union of Construction, Allied Trades and Technicians in January 2017, now represents a significant number of its members in the construction industry.
- 4.3 A priority campaign in the sector involved challenging poor practice within the industry that compromises the welfare of workers.
- 4.4 The Charter, attached at Appendix 1 covers eleven requirements for construction contractors and their supply chain. It has been adopted by a number of Councils on the basis that it supports increased fairness for workers. Other authorities include:

Liverpool	Wakefield
Renfrewshire	Sheffield
North Ayrshire	Bradford
Durham City Council	Doncaster
South Tyneside	North Lanarkshire
Bristol	Perth
Barnsley	

5. Description of Issue to be resolved

- 5.1 The Council has a strong commitment to social value and sustainability and already requests contractors to sign-up to the Councils Developer and Partner Charter. The Unite Construction Charter covers industrial and employment areas including procurement, planning, recruitment, health and safety, engagement, welfare facilities, skills, training and career development.
- 5.2 It is recognised that there are benefits to supporting the Unite Charter. Many of the areas are already explicitly or partly covered by existing provisions and practices, such as health & safety requirements, staff welfare and employment & skills and the use of apprentices. However there are certain complexities of the Unite Construction Charter that will need to be analysed prior to their implementation, for example concerning access to Council contracts for SMEs as the procurement process may become less attractive owing to additional requirements.

6. Implications (including Legal implications)

- 6.1 The costs of supporting and implementing the Charter are confined to the time of officers in the Procurement, Legal and Built Environment Teams.
- 6.2 In order to comply with EU public procurement directives and Public Contracts Regulations 2015 there is a need to ensure that the implementation of the principles in the Charter do not breach the Council's obligations to ensure non-discrimination, equal treatment and transparency when conducting procurements.
- 6.3 Potential consequences and or risks to supporting the implementation of the Charter may include increased contract costs as Contractors may incorporate the costs associated with compliance into their tender price. The Council may find it more difficult to attract contractors to bid for smaller scale construction projects. It should

also be noted that the Council currently accesses Framework Agreements for some construction related projects, the requirement to comply with the Charter cannot be enforced on these contracts.

7. Background Papers

None

Contact Officer

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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. 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.