

READING BOROUGH COUNCIL

REPORT BY ASSISTANT DIRECTOR OF PROCUREMENT & CONTRACTS

TO:	COUNCIL		
DATE:	4 NOVEMBER 2018		
TITLE:	CONSTRUCTION CHARTER		
LEAD COUNCILLOR:	CLLR ELLIE EMBERSON	PORTFOLIO:	CORPORATE AND CONSUMER SERVICES
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1. PURPOSE AND SUMMARY OF REPORT

- 1.1 To recommend that the Council implements the standards outlined in the Unite Construction Charter.
- 1.2 This report is therefore outlining the Charter content and implementation implications.
- 1.3 Subject to agreement, the adoption of the Charter will come into immediate effect.

2. RECOMMENDED ACTION

It is recommended that Council:

- 2.1 Approve the Council's commitment to support the implementation of the Unite Construction Charter principles.
- 2.2 Delegate authority to the AD for Procurement & Contracts to take the necessary steps for the implementation of the Unite Construction Charter principles into future relevant construction contracts, with implications to be reviewed on a case by case basis within the Council Procurement policies.

Appendix A: Construction Charter

3. POLICY CONTEXT: KEY ISSUES AND CHANGES REQUIRED

- 3.1 As a local authority, the Council is responsible for the procurement of a multitude of construction projects. Unite has members across many different sectors of the economy and following the merger with UCATT (Unite Construction Allied Trades and Technicians) last year, now represents a significant number of workers in the construction industry. As part of a wider campaign to address practices by some firms that compromise employment protections, Unite have contacted all Council Leaders across the country regarding the Unite Construction Charter, seeking support to have

these terms nationally agreed as minimum standards in any local authority procurement policy.

3.2 The Charter, attached at Appendix 1, covers requirements for construction contractors and their supply chain regarding industrial and employment areas including procurement, planning, recruitment, health & safety, engagement, welfare facilities, skills, training and career development. It has been adopted by a number of Councils on the basis that it supports increased fairness for workers. Other authorities include:

- Liverpool
- Renfrewshire
- North Ayrshire
- Durham City Council
- South Tyneside
- Manchester City Council
- Barnsley
- Wakefield
- Sheffield
- Bradford
- Doncaster
- North Lanarkshire
- Crawley
- Perth
- Bristol
- Southampton
- Milton Keynes
- Dudley
- Leicester City
- Corby Borough
- Salford
- Barking and Dagenham
- Brighton & Hove
- Stroud District Council
- Dundee
- Sandwell Council
- Birmingham City Council
- Plymouth City Council

3.3 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. The adoption of the Charter is intended to consolidate and confirm the Council's commitment to using its purchasing power to support and enable an ethical and sustainable public sector market.

4. NEXT STEPS AND TIMELINES

4.1 The detailed policy outline driven by the Charter will be agreed with local trade unions following a consultation in line with the detail already agreed by a number of other Councils.

4.2 Subject to agreement by Council, the Charter will then be signed and adopted. This will include relevant communication and guidance to service officers involved in construction commissioning and procurement.

4.3 In addition to the adoption of the Charter, it is the intention of the Council to update its Procurement Strategy to include a framework regarding its approach to social value, local economic and environmental factors as part of its commissioning and contract management arrangements. This Strategy update will include the objectives of the Charter and is intended to come to a future Policy Committee for approval.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The proposed policies support the achievement of a Council that is fit for the future. The Charter purpose also supports the Councils sustainability aims.

6. EQUALITY IMPACT ASSESSMENT

- 6.1 No specific Equality Impact Assessment (EIA) has been completed in respect of this report. EIAs are to be completed for each individual contract procurement conducted as appropriate.

7. LEGAL IMPLICATIONS

- 7.1 Our procurement policies are governed by the Public Contract Regulations 2015. In implementing the Charter, we will have to ensure that there is no unlawful discrimination against SMEs or specialist contractors and that our overriding fiduciary duties are met.
- 7.2 It should be noted that the Council currently accesses framework agreements for some construction related projects, the requirement to comply with the charter cannot be enforced into these contracts.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications arising from this report. However contractors may incorporate costs associated with compliance with the charter into their tender prices which will be one of the considerations to be assessed when tendering each procurement.

9. BACKGROUND PAPERS

None

APPENDIX 1: THE CONSTRUCTION CHARTER

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.

Local Authority Chief Officer

UNITE the UNION

Name:

Name:

Signature:

Signature:

Date of signing:

Date of signing: