



THE NEW NAECI DEAL - REASONS TO ACCEPT

The 'blue book' negotiations took place during a period of industrial action and protest against the exclusion of UK workers from a number of projects throughout the UK. Following the rejection of the first offer, Union negotiators have now secured an improved deal which we are recommending members accept.

The issues

Both Unite and the GMB strongly believe there has been a concerted effort by some employers to drive down pay and conditions in the engineering construction industry.

We believe that some employers could be excluding UK workers and using overseas labour on less pay and inferior terms and conditions of employment.

Union members have made it clear they will not allow this situation to go unchallenged.



The new deal

Our union negotiators have secured a deal where there will be a genuine level playing field to take us forward.

The lack of transparency surrounding the tendering and auditing process allowed for the exploitation of migrant workers and the undercutting of the agreement and has now been addressed.

The unions will now have the opportunity to attend 'section 20' meetings, held by the ECIA to brief new contractors, to ensure all overseas contractors comply with the NAECI agreement.

We will also gain the ability to engage in meaningful consultation with the main/managing contractor regarding which contractors they intend to appoint, what their scope of work is, and importantly, what labour resourcing strategy they intend to pursue.

A situation where non-UK labour is already employed at a site before the unions have been formally advised in a reasonable timescale is now prohibited by the agreement.

In other words, unions are involved from a much earlier stage than before and can ensure no contractor undercuts the agreement.

Applying for jobs

The new agreement ensures equality of opportunity to apply for employment where vacancies exist. Prior to the start of new large projects the managing contractor has to engage with the local job centre. It must inform them about the nature of the project, likely start and finishing dates, and the need to collect up to 200 applicants for each trade from which to recruit new starts.

On existing sites or on long term repair and maintenance projects, any vacancies are to be advertised to the local population to the site for three days and then UK wide for an additional two days, before it can be advertised overseas.

Any contractor using overseas labour will have to comply with UK health and safety legislation, all terms and conditions of the NAECI including rates of pay, welfare provision, and trips home.

Tightening up the audit process

The PJC, which always has a trade union presence, will be provided with all the necessary information to ensure compliance by all in-scope contractors and sub contractors with the NAECI and the SPA.

The audit will confirm that all in-scope employees receive the correct pay, IBA payments and are covered by welplan for additional industry benefits.

The unions will also receive the number and grades of each trade on site, the number of employees holding ACE cards and the numbers currently undergoing the ACE assessment scheme.

Overtime payments, accommodation, radius, welding proficiency payments and periodic leave payments for all workers will be included in the audit report.

The auditor will also see wage slips showing gross and net payments along with confirmation that bank payments have been made by confirmation by the bank or directly by the employee.

The beefed up audit process allows us to have confidence that no one, wherever they are from, is being short changed.

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Periodic leave

All workers on away contracts and in receipt of accommodation allowance shall be given the right to paid travel home twelve times a year and taken once a month.

The ability for employers to attempt to undercut the travel and accommodation arrangements for posted employees is removed from the agreement (NAECI 9.5). **Travel and accommodation can only be varied by exception and must be at no cost saving to the employer**, and must be registered with the PJC, and reported to the auditor.

If the periodic leave arrangements are varied they will fall outside of the scope of the concessions granted by HM Revenue and Customs and consequently the taxation treatment of such arrangements is a separate matter to be resolved between the employers, employees and tax authority concerned.

Enhanced access to the grievance procedure

The new agreement gives union full-time officials access to procedure, by raising a stage two grievance, where we believe that the 'Blue Book' is not being adhered to. This would have made our task a lot easier at Staythorpe had this provision been included in the agreement.

Skills and competencies

The new agreement gives a greater role for trade union shop stewards and safety reps to ensure appropriate skills and competencies are held by all workers.

Shop stewards and safety reps can request details of the employers' competence assessment procedures. If that does not satisfy then the issue can be raised at the PJC and the joint chair (always a trade union held position) can request the details of the employers' assessment process. If we remain unsatisfied then we can involve the HSE as a failsafe.

Register of unemployed workers

This has proven to be more difficult to implement than we anticipated due to UK anti-discrimination legislation. However, we have secured the commitment that a working party will be set up to explore all possible ways a register could be set up.

The working party will report by June 2010. The unions remain committed to securing ongoing security of employment for their members and to protecting activists from being discriminated against.

Pay increase

We have negotiated a two year wage deal giving an increase of 2% for the first twelve months and a 1% minimum for the second year, subject to inflation, up to a maximum of 5%. If inflation is greater than 5% then pay negotiations will be re-opened.

The only way that this increase could be achieved was by increasing the variable element of the Incentive Bonus Arrangement payment. This has been mainly driven by clients who want a measure of security against unofficial industrial action, which has been at unprecedented levels this year.

We believe that some clients are looking at undertaking engineering construction projects outside of the NAECI provisions. As most workers will understand any such project built outside of our agreement would inevitably be under worse terms and conditions.

Conclusion

The negotiating committee has succeeded in moving the NAECI agreement forward making it harder to short-change overseas workers, as exposed at the Isle of Grain and making it impossible for overseas employers to refuse to co-operate as we experienced at Staythorpe.

We have gained a more transparent and robust auditing process, which should expose at an early stage any attempt by a rogue employer to undermine our agreement with a greater role for shop stewards and trade union safety reps, in verifying the claimed skills and competencies of workers.

The agreement, taken as a whole, means that UK labour is the most economic to employ on UK contracts whoever has won the work.

Enforcement

But every good agreement has to be enforced and this is through our on-site organisation. The early election of a shop steward and safety rep for each employer on the site is vital.

We collectively have a responsibility to protect our shop stewards and activists and should lobby the contracting companies on each new site hard to secure employment for our unemployed members especially former reps.

A pay rise has been gained despite the difficult economic situation nationally with many sectors of the economy accepting pay cuts or pay freezes.

It is for these reasons that we recommend that you vote yes to accept the offer.

A meeting will be held on your site on Thursday the 19th November 2009 and your shop steward will provide you with a ballot form.

Every vote counts make sure you use yours.

Tom Hardacre,
Unite National officer

Bob Blackman,
Unite National officer

Phil Davies,
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