

10th November 2006

**EMPLOYMENT RELATIONS DEVELOPMENT
WORKING PARTY**

BULLETIN No 5

The Trade Union and Employer members of the Working Party held their 7th Meeting on Wednesday, 8th November 2006 under the Chairmanship of the NJC Executive Chairman.

The Working Party agreed to issue the Summary of Consultation Responses and the List of Consultation Participants, both attached.

Work on developing detailed provisions continues. The Employers agreed to submit full detailed proposals, if possible, in advance of the next meeting.

The Working Party agreed the following meeting dates in December, both of which will be full days. The venues have yet to be arranged.

10.00am Wednesday, 6th December

10.00 am Wednesday, 20th December

EMPLOYMENT RELATIONS DEVELOPMENT WORKING PARTY

Summary of consultation responses

A large number of industry stakeholders participated in consultation on the Working Party's 'New Framework for a New Future' document, between July and September 2006. These included 44 lay and full-time trades union officials, 19 clients and 46 contractor companies (full list attached).

In summary, the conclusions of the consultation were:

- a) **Developing a 'new' agreement.** The trades unions emphasised the importance of continuity with the NAECI, while clients and contractors stressed the need for change. The common ground shared by all was that much of the NAECI remained valid and ought to be retained.
- b) **Skills, training and recruitment.** Everyone agreed that the industry needed to make fundamental changes to its current skills and training policies if it was to rebuild and strengthen the UK skills-base over the longer term. In addition, clients and contractors wanted the agreement to recognise their need to access additional sources of skilled labour in the short term.
- c) **Improving productivity.** A key client and contractor requirement for any future agreement was that it should be deliver efficient working practices on the ground and provide a sound basis for further innovation and continuous improvement.
- d) **Two documents.** Clients and contractors welcomed the proposal to separate terms and conditions from institutional provisions. Various respondents had already made constructive suggestions about how the training, trades union and safety provisions within the agreement might be improved and updated.
- e) **Core terms and conditions.** There was widespread support for the concept of a core of common terms and conditions applicable across the entire industry. Respondents had submitted a range of proposals for the Working Party to consider, including changes to:
 - Normal working hours
 - Overtime
 - RADIUS
 - Accommodation allowance
 - Periodic weekend leave
 - Pension
 - Bereavement leave
 - Sick pay
 - Family leave.

- f) **Pay simplification.** The trades unions wished to retain supplementary payments for specialist crane drivers and working at height and in restrictive or abnormal conditions. Most clients and contractors supported a degree of simplification.
- g) **New construction.** All supported the concept of linking higher rewards to results. The trades unions disagreed with the clients and contractors on whether the agreement should continue to set a national cap on bonus earnings. There was also disagreement on whether the agreement should provide for a measure of flexibility in the accommodation and periodic leave arrangements of overseas workers.
- h) **Repair and maintenance.** All agreed that the categorisation provisions introduced in 2002 required further development. There was considerable interest in the development of a 'salaried' employment package for longer-term employees, so long as this did not undermine core terms and conditions or employment relations stability. Operating sites wished to enjoy greater local discretion in the development of bonus arrangements. Clients and contractors wanted the agreement to regulate the use of overseas workers and agency workers on events.
- i) **Procedures.** There was a general recognition of the need to change aspects of the current dispute resolution procedures. Further work was required on the details. The Working Party also needed to address unprocedural action and 'sympathy' walkouts.
- j) **Transitional/ phasing-in provisions.** Clients and contractors believed that these would almost certainly be required, and would need to be the subject of further consultation once the main changes to the agreement had been finalised.

APPENDIX

List of Consultation Participants

Trades union forums

National Stewards' Forum (*meeting 1 August 2006*)

Scottish Central Belt representatives (*meeting 18 August 2006*)

Organisations submitting individual responses

BNG (*Sellafield*)
BP (*Saltend*)
Chevron (*Pembroke*)
Conoco Phillips (*Immingham*)
Corus (*Port Talbot and Llanwern*)
Corus (*Scunthorpe*)
Esso/ Exxon (*Fawley*)
Ineos (*corporate*)
Ineos (*Grangemouth*)
Ineos Chlor Vinyls (*Runcorn*)
Novartis (*Grimsby*)
Shell (*Stanlow*)

AT Group
CB&I UK
Fabricom
Fluor
Howden Service
NSG
O'Hare Engineering
Shepley Engineers
Wood Group
Whessoe Oil & Gas

ECITB

Client/ contractor forums

ECIA Industrial Relations Committee (*meetings 26 July and 27 September*)

AK Engineering Services
Alstom Power Service
AMEC
AT Group
Bechtel
Cape Industrial Services
CB&I UK
Costain Oil Gas & Process
Fluor
Foster Wheeler
Granite Services International

Hertel Services
Interserve Industrial Services
Jacobs Engineering
Lentjes UK
MB Engineering Services
Mitsui Babcock
RWE Solutions
SGB
Siemens Power Generation
TEI
Vange
Whessoe Oil & Gas
Wood Group

ECIA Council *(meetings 27 July & 28 September)*

Bailey
Bechtel
CB&I UK
Costain Oil Gas & Process
Hertel Services
Howden Service
Jacobs Engineering
Lightning Group
MII
Sembcorp Simon Carves
Siemens Power Generation
TEI

Capital Project Clients Group *(meetings 28 July, 6 and 26 September)*

BNG (Sellafield)
British Energy
E.ON UK
Ineos Chlor Vinyls (Runcorn)
NEPIC
RWE npower
Shell (Stanlow)
Total UK (Lindsey)

Fawley NAECI Contractors Group *(meeting 4 September)*

Cape Industrial Services
Deborah Services
MB Engineering Services
O'Hare Engineering
PTF Engineering
SEC
Trant Engineering

Grangemouth NAECI Contractors Group *(meeting 8 September)*

AMEC
Hertel Services
Interserve Industrial Services
Mitsui Babcock
Shaw Group UK
Watson Norie

Sellafield NAECl Contractors (*meeting 19 September*)

AMEC
Balfour Kilpatrick
Cape Industrial Services
C&D Environmental
Hertel Services
Interserve Industrial Services
Jordan Nuclear
Palmers
P C Richardson
PPS Electrical
RWE Nukem
Shepley Engineers
William Hare

Client/ Contractor Power Sector Forum (*meeting 20 September*)

Alstom Power Service
AMEC
E.ON UK
Hertel Services
Howden Service
Lentjes UK
RWE npower
Scottish Power
Siemens Power Generation

Employment Relations Development Working Party Members

David Billington, *TEI*
Ralph Bradley, *TICA*
Bobby Buirds, *Amicus*
Bill Corrigan, *T&G*
Andrew Eldred, *ECIA*
Jim Finegan, *Amicus*
Tom Hardacre, *Amicus*
Fiona Harper, *SELECT*
Keith Hazlewood, *GMB*
Mike Hockey, *ECIA*
Derek Hunter, *Shaw Group UK*
Steve Lee, *AMEC*
Bernard McAulay, *Amicus*
Dave Pendrey, *Hertel Services*
Lindsey Pritchard, *Mitsui Babcock*
John Rouse, *T&G*
Steve Scrimshaw, *Siemens Power Generation*
Jock Simpson, *NJCECI*
Bob Stokes, *GMB*
Meurig Thomas, *Amicus*
Frank Ussher, *Bechtel*
Phil Willis, *Amicus*