

Employment Conditions in Europe: United Kingdom

**EMPLOYMENT CONDITIONS IN EUROPE:
UNITED KINGDOM**

A Guide to Employment Law, Collective Bargaining Structures
and Social Insurance in the Construction Industries of the
United Kingdom

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Employment Conditions in Europe Task Force

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CONTENTS

EMPLOYMENT LAW

Paragraph		Page
1	Sources of Employment Law	1
2	Types of Legal Relationship	2
3	Contracts of Employment	4
4	Minimum Earnings	5
5	Payment of and Deductions from Wages	6
6	Hours of Work and Minimum Breaks	6
7	Holidays	7
8	Time Off	8
9	Parental Provisions	8
10	Absence due to Sickness or Injury, and Payment	9
11	Health and Safety	10
12	Discrimination	11
13	Training	11
14	Pensions	13
15	Resolution of Individual Employment Problems	13
16	Termination of the Contract of Employment	13
17	Severance Pay	14
18	Collective Labour Relations	15
19	Employing EC and Foreign Nationals in the UK	16
20	Bodies which enforce Employment Law	17
21	Collective Bargaining Structure	20
22	Manual Employees (Operatives)	21

APPENDIX 1	National Insurance, Statutory Sick Pay, Statutory Maternity Pay, Pay as You Earn Income Tax, Tribunal Awards and CITB Training Levies	28
APPENDIX 2	Useful Addresses	31
APPENDIX 3	Comparison of Major Construction Industry National Agreements	33
	Members of the Employment Conditions in Europe Task Force	38

Note: In this publication, all references to males apply equally to females

ACKNOWLEDGEMENTS

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DISCLAIMER

NOTE: Every effort has been made to ensure that the contents of this report are accurate, and the advice it contains appropriate, at the date of going to press.

However the report provides general guidance only and users of it should always check with their own advisers before taking action based upon it.

Consequently the ECI is not responsible for any acts or omissions arising from use of the report.

Employment Conditions in Europe: United Kingdom

Addendum No 1 - August 1997

Page 21 Clause 22.1

The Federation of Civil Engineering Contractors (FCEC) was dissolved in November 1996. Many of the former member companies have combined to form a new organisation - the Civil Engineering Contractors' Association (CECA), which covers England, Scotland and Wales and represents civil engineering employers on the Building and Civil Engineering Joint Board.

Page 21 Clause 22.1(a)

The reference to 'FCED' in line 2 should have read 'FCEC'.

Page 23 Clause 22.1(b) Second Paragraph

The trend towards self-employment in the building industry (and in civil engineering also) could well go into reverse in 1997 and subsequent years as the Contributions Agency and the Inland Revenue have combined forces in an effort to eradicate the use of 'self-employed' status simply as a device for reducing people's National Insurance contributions and tax. From April 1997 the Contributions Agency and the Inland Revenue will take action against companies who employ individuals nominally as sub-contractors but treat them in a way that in practice differs little from the way that employees are treated.

Pages 21 and 33-37 (Appendix III) Civil and Building Working Rule Agreements

On 23 July 1997 the recently formed Construction Confederation, on which the Civil Engineering Contractors' Association, the Major Contractors' Group and the Associations which previously formed parts of the Building Employers' Confederations promulgated a new 3 year agreement with the Union of Construction and Allied Trades, the General Municipal and Boilermakers' Union and the Transport and General Workers' Union. This agreement removed the remaining differences between the Civil and Building Agreements and will introduce in June 1998 a six-graded pay structure to replace the wide range of rates and plus rates which previously existed.

The Civil and Building Working Rule Agreement column in the table of Appendix III (pages 33-37 of the Report) should be amended to incorporate the following principal changes for 1997/98:

Date of implementation of last wage increase	18 August 1997
Date of next wage review	June 1998

Rates of Pay

Basic Skilled Rate	4.83
Basic Unskilled Rate Labour	4.00

Allowances

Lodging/Subsistence Allowance	19.56 per night
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Travel

Example

15 miles distance to site

b) transport not provided	5.33
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UNITED KINGDOM

1 SOURCES OF EMPLOYMENT LAW

Employment law in the United Kingdom is derived from the following sources:

1.1 European Directives

UK law is to an increasing extent being influenced or replaced by European Law based on the Treaty of Rome and the UK's obligations under the EC Treaty.

Where the European Court of Justice finds that UK legislation does not implement EC law properly, EC law is held to apply. UK legislation must be interpreted purposively in accordance with EU Directives.

1.2 Statute Law

Employment legislation giving collective and individual employment rights has been enacted in a series of statutes which have in the main been introduced since 1974.

Most legislation and non-statutory codes of practice may be obtained from Her Majesty's Stationery Office Publications Centre, PO Box 276, London SW8 5DT (+44 (0)171-873 0011 or 9090).

1.3 Local Legislation

Most of the employment law passed by Parliament applies in England, Wales and Scotland. Equivalent legislation also applies in Northern Ireland.

The systems of law in Scotland and Northern Ireland are different from those in England and Wales, but the law described below applies throughout the United Kingdom, except where stated in the text.

In view of the troubles in Northern Ireland, legislation has been passed (Fair Employment (Northern Ireland) Act 1989) making discrimination in employment on grounds of religious belief or political opinion unlawful. Employers of more than 10 employees in the Province are required to register with the Fair Employment Commission, carry out religious monitoring of their employees and job applicants and submit a report to the Commission on a review of their procedures and their application every three years.

1.4 Common Law

The system of Common Law applied in the UK is based on case law and the system of judicial precedents. Inferior Courts are bound by decisions of Superior Courts in the interpretation or pronouncement of legal issues. Some bodies of UK law have derived from common law such as the laws of contract and tort.

1.5 Collective Agreements

It is a presumption of employment law that collectively bargained agreements are not legally enforceable unless they form part of employee's contract of employment either expressly or through implication. In practice most collective agreements are binding in honour only but are adhered to by the parties in the interests of good industrial relations.

However as collective agreements contain individual terms of employment they may be enforceable by individuals through the contract of employment.

1.6 Non-Statutory Codes of Practice

The Codes of Practice published by the Commission for Racial Equality, the Equal Opportunities Commission, the Advisory, Conciliation and Arbitration Service and the Fair Employment Commission for Northern Ireland are not legally binding but are persuasive before Industrial Tribunals as evidence of good practice.

2 TYPES OF LEGAL RELATIONSHIP

2.1 Staff/Operatives

Throughout the UK section the terms 'staff' and 'operatives' will be used.

'Staff' includes the managerial, planning, technical, supervisory, administrative and clerical personnel engaged in the construction industry. Where they are directly employed, they tend to be paid an annual salary on a monthly basis.

'Operatives' are the manual workers i.e. labourers, bricklayers, carpenters, steel erectors, pipe fitters, welders, electricians, plumbers, etc. engaged in construction work. They tend to receive a wage per hour worked (among other benefits) and are paid weekly.

2.2 Employment/Self Employed

The use of self employed personnel instead of employing staff and operatives directly is widespread in the UK construction industry. Much of this is legitimate, but some may not be. The greatest number of self employed are found in the building industry. Fewer are found in heating and ventilating work or electrical contracting, and self employed operatives are relatively rare in engineering construction.

Self employed personnel are generally cheaper to use than the directly employed because the self employed are expected to account to the Inland Revenue for their tax themselves. The employer does not have to pay National Insurance contributions on their earnings, and the

genuinely self employed do not acquire most of the statutory protections of employment law described below.

However, deciding whether someone is genuinely self employed for tax and National Insurance purposes is a matter of law, not of choice for the individual or his employer. In the itinerant and widely dispersed construction industry, the commercial advantages of a cheaper labour force and the complexity of the legal tests have created the possibility of fraud and tax avoidance.

In 1971 the Inland Revenue introduced the Construction Industry Tax Deduction Scheme (714 Scheme) in an attempt to stop the fraud and control the number of workers in the construction industry paid without the deduction of tax.

More recently the Inland Revenue and the Benefits Agency (responsible for the collection of National Insurance (NI) contributions) have stepped up their efforts to enforce the legal definition of 'employee'. Whether a person operating in the construction industry should be treated as employed or self employed for tax and NI purposes is a legal question and not dependent on whether they hold a 714 certificate.

This is a complicated issue beyond the scope of this publication and any contractor entering the UK market who is contemplating using self employed workers would be well advised to seek specialist advice.

2.3 Labour-only Subcontracting

As an alternative to employing operatives directly some UK construction contractors subcontract the provision of the work force on a contract to a labour-only subcontractor. The labour-only subcontractor acts as the employer of the labour and is responsible for their supervision and payment. The contractor pays the subcontractor for the work done either against a measure or a price.

2.4 Agencies

Agency personnel (both staff and operatives) are useful to cover short term peaks in workload. Whilst the personnel supplied by the agency come under the day to day supervision of the contractor, the agency has general management of the personnel as the employer and the contractor pays the agency a rate for providing their services.

The relationship between the agency and the personnel they supply may be one of employment or self employment. To comply with the law, agencies must be registered with the Department of Education and Employment in accordance with the Employment Agencies Act 1973.

2.5 Part Time Employees

As a result of the Employment Protection (Part Time Employees) Regulations 1995, most part time employees now enjoy the same statutory employment protection rights as full time employees with limited exceptions.

2.6 Fixed Term Contracts

Personnel employed on fixed term contracts are not excluded from any of the employment rights outlined below as long as they have sufficient continuous service to qualify. The expiry of a fixed term contract is deemed in law to amount to a dismissal. However those with a fixed term contract of a year or more may agree to exclude their right to claim unfair dismissal and those with a contract of two years or more may agree to waive their rights to a redundancy payment on termination.

Where fixed term contracts are terminated prior to the expiry of the term, the employee is entitled to payment and all other contractual benefits for the full term of the contract period subject to a duty to mitigate his loss by seeking alternative comparable employment.

3 CONTRACTS OF EMPLOYMENT

3.1 Employers and employees are legally free to agree on whatever terms of employment they wish (subject to some statutory minimum employee rights) although most employers have standard terms of employment which a new recruit is obliged to accept allowing only for minor adjustments.

3.2 There is no obligation for contracts of employment to be written but a written statement of the principal terms of employment (listed below) must be provided by the employer within two months of the employee starting work.

Name of employee

Name and address of employer

Job title

Date of commencement of employment

Date of commencement of continuous employment

Details of pay, with method and frequency of payment

Hours of work

Place of work, or if mobile, the employer's address

Sickness or injury terms

Pension

Period of notice

Holiday entitlement and pay

Grievance and Disciplinary procedures

Particulars of any applicable collective agreement

Details of work, pay, length of time for work outside the UK

3.3 Implied Terms

Other rights and obligations are automatically implied into contracts of employment. Commonly implied terms are the employee duties of:

- 1) Fidelity
- 2) Obedience
- 3) Working with due diligence and care
- 4) Not to disclose confidential information,

and the employer duties:

- 1) Not to destroy trust and confidence
- 2) Take care of health and safety.

Some implied terms however such as the expectation that employees will keep the trade secrets of their employer confidential now tend to be expressed as restrictive covenant in the contract for the sake of clarity.

4 MINIMUM EARNINGS

- 4.1** At present, there are no statutory minimum wages provisions applying to staff or operatives in the construction industry. However, the Labour Party has promised a minimum wage if it gets into power. Employers who work to the various construction industry national agreements however undertake to provide employment terms no less favourable than those established by the relevant agreement for work that is in its scope.

4.2 Bonus Payments

Some companies give their staff Christmas Bonuses, Service-related Pay or related holidays (dependent on the length of service), share option schemes, bonuses linked to company profits or other bonus arrangements. However these tend to provide only a small element of total remuneration for such staff.

Such schemes tend not to apply to hourly paid operatives. Operatives' bonuses are determined by the bonus or second tier rules outlined in the collective agreements.

The thirteen month bonus arrangements common in some European countries do not apply in the UK.

5 PAYMENT OF AND DEDUCTIONS FROM WAGES

The Wages Act 1986 provides that no deductions (other than tax and National Insurance contributions) may be made from an employee's wages without his written agreement. There is an exception to this rule in the case of deductions from pay required as a result of a Court Order or the correction of genuine errors.

Employees are also entitled to receive an itemised pay statement for each pay period to show the gross amount of their earnings and any deductions made.

6 HOURS OF WORK AND MINIMUM BREAKS

- 6.1** Legislation does not at present limit hours of work in the UK other than for children. There are no statutory minimum periods of daily or weekly breaks. However, the UK's challenge to the Working Time Directive has now failed and from 23 November 1996, the Government is obliged to introduce legislation to bring in a minimum number of hours employees can work (with some exceptions).
- 6.2** Working on Sundays is not restricted by law in the construction industry.
- 6.3** However local authorities and construction industry clients sometimes impose restrictions on site hours particularly where work is being carried out close to residential areas because of the noise construction operations make.
- 6.4** Whilst, with the exception of the drivers of large goods vehicles, statute law does not specifically restrict working hours in the construction industry, some of the collective agreements negotiated between trades unions and employers sometimes impose limitations. In the engineering construction and electrical sectors of construction excessively long hours are discouraged and permission must be obtained from the joint union and employer bodies at national level to work hours significantly in excess of the normal working hours.
- 6.5** Such restrictions do not apply in the building and civil engineering industries where overtime working of up to 15 hours a week is common in the summer and during periods of good weather.
- 6.6 Overtime Work - Time Off in Lieu**
When operatives work overtime they usually receive an enhanced rate of pay as determined by a collective agreement. Staff may receive premium payments for overtime working but the amount and the level of staff concerned varies between companies. UK employees do not usually have the right to take time off in lieu.

7 HOLIDAYS

- 7.1 At present, there is no statutory requirement setting out holiday entitlements for employees in the UK and holidays are determined by the contract of employment or collective agreements. However, as already mentioned, the Working Time Directive is to be implemented which will give employees the right to a minimum amount of holiday. Most employees in the UK have between three and six weeks paid annual holiday and eight days public holidays each year.
- 7.2 For staff payment for public and annual holidays tends to be at normal rates of pay. For operatives pay is set by collective agreement. Payment of extra money at holiday times is not normal in the construction industry.
- 7.3 The public holidays tend to be as follows although there are many local variations:

England & Wales

New Year's Day
Good Friday
Easter Monday
First Monday in May
Spring Bank Holiday
Summer Bank Holiday
Christmas Day
Boxing Day

Scotland

New Year's Day
January 2
Easter Monday
First Monday in May
Friday & Monday
Autumn Holiday
Christmas Day
Boxing Day

Northern Ireland

New Year's Day
Easter Monday
First Monday in May
Orangeman's Day (July 12)
Monday & Tuesday at the September Holiday
Christmas Day
Boxing Day

Widespread variations from the above include Easter Tuesday instead of Good Friday, the trade holidays in Scotland which differ from district to district and St Patrick's Day in Northern Ireland which some employers observe as a holiday. All such variations are dealt with by contract or collective agreement. When a recognised public holiday falls at a weekend an alternative day of holiday is substituted.

8 PERMITTED TIME OFF FROM WORK

8.1 Time Off as an Employee Representative

Elected representatives of recognised trades unions are entitled to reasonable time off with pay during working hours to carry out trade union activities. This provision covers Union Officials, Shop Stewards and Safety Representatives. Employees who are members (as opposed to representatives) of recognised trades unions must be allowed reasonable time off (without pay) to take part in trade union activities (other than industrial action such as strikes or other forms of disruption). The recent introduction of Elected Employee Representatives will also mean that employers should give them time off in some circumstances.

8.2 Study Leave

There are no statutory provisions in the UK requiring employees to be permitted to study leave or training.

8.3 Civic Duties

An employer must permit an employee who is a Justice of the Peace (magistrate), a member of a local authority, a tribunal member, a school governor, or a member of a number of other public bodies time off work to carry out their duties. There is no entitlement to payment for such time off.

8.4 Military Service

There is no requirement on UK nationals to take part in compulsory military service. However most members of HM Forces Volunteer Reserve are required to attend a two week training camp each year and it is not unusual for employers to grant at least part of this time as additional paid holiday (although there is no automatic right to do this).

8.5 Other Time Off

There are no statutory provisions in the UK covering bereavement leave, but an entitlement is included in many collective agreements.

Employees needing time off work for any other reason may be granted that time with or without pay by their employer or they may be expected to take time from their annual holiday entitlement.

9 PARENTAL PROVISIONS

9.1 Pregnant employees must be allowed time off during working hours to keep appointments for ante-natal care.

9.2 A pregnant employee has the right not be dismissed for reasons connected with the pregnancy whether or not she has two year's

continuous employment (which is the normal qualifying period) (with limited exceptions). The Trade Union Reform and Employment Rights Act 1993 extended the right to all pregnant employees regardless of the length of their service. Furthermore in the light of the sex discrimination legislation and recent findings in the European Court of Justice (e.g. *Dekker v Stichting Vorumingscentrum voor Jong Volwassenen (VJV-Centrum) Plus*) employers in the UK should also be cautious not to refuse to recruit a woman because she is pregnant.

- 9.3 An employee with more than two years service also has the right to return to her previous job (or a similar one) on the same terms as before within 29 weeks of the birth. There is no statutory requirement for payment during the period of absence from work other than Statutory Maternity Pay (SMP) for a maximum of 18 weeks (see paragraph 9.4 below).

The Trade Union Reform and Employment Rights Act 1993 granted all employees the right to take 14 weeks maternity leave and return to their job.

- 9.4 Employees with six months service are entitled to receive eighteen weeks Statutory Maternity Pay which is currently wholly reimbursed by the Government. SMP may not start earlier than the 11th week prior to the expected week of confinement nor later than the 6th week prior (to receive the full 18 weeks). The amount of basic SMP is set annually by parliament and the current rate is shown in Appendix 1. SMP for employees with more than two year service is 90% of their average wage for the first six weeks of SMP paid.

- 9.5 There are no statutory provisions on parental or paternity leave for men.

10 ABSENCE DUE TO SICKNESS OR INJURY AND PAYMENT

- 10.1 There are no statutory provisions as to set minimum periods or permitted absence due to sickness or injury, except in special circumstances under health and safety legislation. Employees are entitled to receive 28 weeks Statutory Sick Pay (SSP), subject to certain qualifying conditions at rates determined annually by parliament (see Appendix I). Most employers must bear the full cost of SSP paid to their employees although there is a concession for small firms under the 'Percentage Threshold Scheme'.

- 10.2 Most collective agreements determine that a higher level of sick pay than SSP should be paid to operatives and those for the construction industry are shown in Appendix III.

- 10.3 Most staff continue to be paid their salary (or part of it) during absence due to sickness but the period of time for which it is paid and the amount will vary from company to company.

11 HEALTH AND SAFETY

- 11.1 The principal piece of health and safety legislation is the Health and Safety at Work etc. Act 1974 which is supported by a myriad of regulations and codes of practice which apply to specific industries and work places.

New regulations (such as the Construction Design and Management Regulations (CDM) and Personal Protective Equipment Regulations) have recently been introduced into UK law because of European initiatives.

- 11.2 The law and regulations are enforced by the Health and Safety Executive (HSE). The powers of the HSE are described in paragraph 20 below.

Breaches of the Act can attract a fine of up to £5,000 in magistrates courts. More serious cases are heard by Crown Courts which can impose unlimited fines and custodial sentences of up to two years.

Failure to observe health and safety codes of practice whilst not legally binding in themselves may be taken as evidence of non-compliance with a requirement of the Act.

- 11.3 The European Construction Institute has published a manual "Total Project Management of Construction Safety, Health and the Environment". It is not within the scope of this document to go into detail on health and safety other than to state that health and safety can also be a cause of industrial relations problems on construction sites.

- 11.4 Furthermore the Trade Union Reform and Employment Rights Act 1993 introduced new provisions to protect employees regardless of their length of service who complain about or refuse to work in conditions they think are unsafe. It is unlawful to dismiss or subject employees to any detriment as a result of them carrying out their proper health and safety activities and employees may leave their workplaces to avoid what they believe to be a serious and imminent danger and may refuse to return to their workplace while the danger persists.

On the face of it this is a useful warning to the negligent employer but it is also a substantial change to previously accepted practice that to leave the place of work without permission was in breach of contract and to do so collectively was industrial action (see below).

12 DISCRIMINATION

- 12.1** It is unlawful to discriminate between job applicants or employees on grounds of sex, marital status, race, ethnic origin, or trade union membership. Discrimination on these grounds when recruiting or in pay terms and conditions of employment, training, promotion or when selecting employees for dismissal is unlawful. It is not at present illegal to discriminate on grounds of religion or political opinion (other than in Northern Ireland - see paragraph 1.3 above: Local Legislation), and age. The Disability Discrimination Act has recently introduced unlawful discrimination for disabled employees or applicants. Furthermore recent ECJ decisions have also questioned whether it is unlawful to discriminate on grounds of sexual orientation.
- 12.2** Under discrimination in law, an employee or applicant for a job does not need to have worked for a minimum period for an employer before they may make a complaint of discrimination to an Industrial Tribunal.
- 12.3** The Commission for Racial Equality, the Equal Opportunities Commission (and the Fair Employment Commission for Northern Ireland) have published codes of practice on avoiding discrimination in employment. Guidance on the Disability Discrimination Act has also been published. They are also responsible for monitoring progress in their respective areas and for enforcing the law (see paragraph 20 below).

13 TRAINING

- 13.1** There are no provisions within UK law which require employers to train their employees, other than to comply with certain health and safety requirements.
- 13.2** Furthermore there are few formal requirements to employ persons with specific training or qualifications in order to work in the UK construction industry. However for practical purposes to carry out certain types of work (e.g. electrical, scaffolding, welding) or to comply with certain British Standards it is appropriate to use or employ personnel who have received defined training or qualifications. In all cases employers have a duty to ensure that all their personnel are competent to work safely.
- 13.3 Craft and Operative Training**
 Craft and operative training in the construction industry is run by the Construction Industry Training Board (CITB) for the main construction trades, the Engineering Construction Industry Training Board (ECITB) for the engineering construction sector, by the Electrical Installation and Engineering Industry Training Organisation (EIEITO) for electricians and by Building Engineering Services Training (BEST) for

heating and ventilating trades (addresses are given at the end of the UK Report). The national joint employer/union council for each part of the industry (the ECITB in the case of engineering construction) administers the registration of apprentices and maintains an overview of the training schemes provided.

The CITB and ECITB are statutory established bodies to which all employers within their scope above a minimum size are legally required to contribute. Current statutory levy rates are given in Appendix I. The training bodies in the heating and ventilating and electrical contracting sectors are not statutory bodies and are organised on a voluntary basis.

13.4 Craft and Operative Training Schemes

- a) The training of skilled craftsmen and tradesmen in the UK is based on apprenticeships which lead to qualifications issued by the City and Guilds of London Institute. Apprenticeships are usually open to school leavers who are 16-18 years old, but there are also training schemes for adults.

The qualifications can only be obtained by attending recognised college courses (which include some practical site experience) and by passing the necessary examinations. Apprenticeships last at least three years and are run by the organisations listed above for bricklayers, carpenters, plant mechanics, welders, platers, pipe fitters, mechanical fitters, steel erectors, scaffolders, plumbers, electricians and heating and ventilating fitters among other skilled trades.

The employment terms of apprentices differ from those of other construction industry operatives. Details are given in each National Agreement. ECITB run a National Apprenticeship Scheme for engineering construction (NASEC).

- b) In recent years a number of craft training schemes have been developed in the industry based to a great extent on site experience rather than classroom training and site assessment of competence rather than examinations. These schemes have been designed to attract the unemployed and people older than school leavers to train to become construction industry tradesmen. In normal circumstances training lasts at least one year, some schemes run for three years or more.
- c) A number of other training courses are run by the industry training organisations to train newcomers to the industry in general or specific construction skills. These training schemes are designed around Government funding contributions and tend to

last for up to one year. Details may be obtained from the relevant training organisations.

14 PENSIONS

- 14.1** A state pension is available at the age of 65 for men and at 60 for women. The state pensionable age for women is due to rise to 65 for those born in 1950 or later. A State Earnings Related Pension Scheme (SERPS) is also available which employees may opt out of if they wish to establish a private pension plan. It is understood that the present Government intends to down grade or phase out SERPS by the mid 21st century.
- 14.2** Most construction companies in the UK provide pension schemes for their staff to which both employee and employer contribute. These schemes are often contracted out of the SERPS. A company cannot require employees to be a member of its pension scheme and an employee may establish a personal pension scheme with an insurance company although in this case the employer is not obliged to make any contributions other than the statutory minimum set by National Insurance legislation.

15 RESOLUTION OF INDIVIDUAL EMPLOYMENT PROBLEMS

Written statements of terms and conditions of employment must stipulate any disciplinary and grievance procedures which apply to the employee or at least refer to where these procedures can be found. These will vary between employers, but most will be based on the non-statutory code of practice on "Disciplinary practice and procedure in employment" issued by the Advisory, Conciliation and Arbitration Service (ACAS). Industrial Tribunal precedents have given rulings on fair procedures and methods for their application.

16 TERMINATION OF THE CONTRACT OF EMPLOYMENT

16.1 Notice Entitlements

Minimum notice entitlements are established by statute as follows:

Less than 2 years but more than one month's service	- one week
Over two year's service	- two weeks

Thereafter one week's notice for each complete year of service up to a maximum of twelve.

Collective agreements set notice periods for service of up to one month. Staff may be contractually entitled to notice periods more

generous than these minima either expressly or by implication. All notice periods will be the same or greater than the statutory minima.

16.2 Dismissal and Unfair Dismissal

In general terms employees with two or more years continuous service with their employer have a statutory right not to be unfairly dismissed. Those who believe they have been unfairly dismissed may complain to an Industrial Tribunal.

- 16.3** To win an Industrial Tribunal case the employer has to show that the employee was dismissed for one of the reasons which statute establishes may be considered fair: capability, conduct, redundancy, some other substantial reason and where statute prohibits further employment.

The employer also has to show that a fair procedure was applied before and at the time of dismissal and that the employer acted reasonably in the circumstances. Employers must examine tribunal precedents and take advice on what constitutes a fair dismissal.

NB. The JIB for the Electrical Contracting Industry has obtained exemption from Industrial Tribunal procedure in unfair dismissal cases. An electrician who is a member of the AEEU-EETPU section, and was employed by a member of the ECA, can have his appeal heard under the Unfair Dismissal Procedure of the JIB Agreement rather than applying to an Industrial Tribunal for a hearing.

- 16.4** As mentioned above dismissal on grounds of sex, race, pregnancy, disability and union membership and also if brought about because of an employee's reasonable health and safety activities or because he tried to enforce a statutory employment right, is also unfair. Employees (or potential employees) do not need to have worked for the two year qualifying period before they may complain to an Industrial Tribunal on these grounds.
- 16.5** An operative with less than two years service (i.e. less than the service normally required to complain to an Industrial Tribunal) who was employed under the terms of one of the national collective agreements may use the grievance or disputes procedure in that agreement to pursue a claim of unfair dismissal. If the national council which hears the case decides that the dismissal of the operative was unfair, it may order reinstatement, or possibly compensation, which the employer concerned would be required to comply with.

17 SEVERANCE PAY

- 17.1** Severance pay required by statute is limited to redundancy pay which employees between the ages of 20 and 65 (or the normal retiring age)

with two or more years service are entitled to receive. In this context redundancy is statutorily defined but generally is a termination because the employer is ceasing or reducing the business or work for which the employee is employed.

- 17.2** Redundancy pay depends upon the employee's age and length of service and is paid at the rate of one week's pay for each complete year of service between the ages of 22 and 41, one and a half week's pay for each complete year of service over the age of 41 and half a week's pay for each complete year of service between the 18th and 22nd birthdays. A week's pay for redundancy pay purposes is limited to a maximum determined each year by parliament. The current maximum is given in Appendix I.
- 17.3** Some employers and collective agreements (e.g. NAECI) augment the statutory redundancy scheme, but this is not common in the construction industry.

18 COLLECTIVE LABOUR RELATIONS

18.1 Employee and Trade Union Involvement

- a) Recognition of trades unions for collective bargaining purposes is voluntary for employers in the UK but once recognised the trade union gains certain rights in relation to that employer.
- b) Recognised trades unions have a right to be consulted prior to redundancies taking place and prior to a business being transferred under the Acquired Rights Directive implemented by the Transfer of Undertakings (Protection of Employment) Regulations 1981. Their representatives obtain rights to time off for union activities and to carry out union duties and their members obtain rights to take part in certain union activities during working hours.
- c) There are no statutory requirements for consultative bodies to be established by companies in the UK. Although some have been set up voluntarily in some industries, they are rare in the construction industry.
- d) Other than the above requirements trades union and employee representatives do not have any statutory rights to be involved or consulted about the affairs of their employer, but where trade unions are recognised, employers tend to involve the shop stewards and possibly local officials in discussions on matters which affect their members.

18.2 Industrial Conflict

- a) The majority of industrial action which is taken in the UK construction industry is unofficial, i.e. organised by groups on site and not by the trade union hierarchies.
- b) Employees do not have a specific right to strike or withdraw their labour and those who do so are usually in breach of their contract of employment. As a general rule in the case of unofficial action, employers may dismiss strikers and not face claims for unfair dismissal (but see Health and Safety, paragraph 11 above).
- c) Trades unions which organise official industrial action can avoid being held liable for the damages caused to the employer's business provided that they comply with a number of specific requirements. These include holding a ballot of their members and giving the employer seven days notice of industrial action. Also, the strike or other industrial action has to be limited to the employees of the employer in dispute, at the workplace concerned and must be related to their terms and conditions of employment.

19 EMPLOYING EC AND FOREIGN NATIONALS IN THE UK

19.1 Work Permits

- a) Nationals of EC countries may work in the UK without a work permit.
- b) Non-EC nationals usually (unless they fall into one of the other Immigration Rule categories) must have a work permit to take up employment in the UK except where the Immigration Rules provide otherwise. For instance, certain categories of Commonwealth citizens and persons wishing to engage in certain occupations do not need work permits.
- c) Applications for work permits are never a formality and can take some time to process. Applications are made by the employer and should be made at least eight weeks before they are required. Further information can be obtained from the Department for Education & Employment, Overseas Labour, Porterbrook House, Pear Street, Sheffield S11 8GS (Tel: +44 (0)114 259 4074).

19.2 Residence Permits

Nationals of any state other than the Irish Republic need a Residence Permit to stay in the UK for more than six months. The period of validity of a residence permit will normally be a maximum of five years. Application forms for residence permits may be obtained from the Home Office and from police stations.

19.3 National Insurance Contributions

EC and foreign employees who are employed in the UK must pay National Insurance contributions unless they are continuing to pay the equivalent contributions in their home country and have an E101 form which gives them exemption. An E101 form may be obtained from local offices of the Department of Social Security.

Current rates of NI contributions are shown in Appendix I.

19.4 Income Tax

As a general rule tax must be paid on any earnings received from work carried out in the UK. However as long as EC or foreign employees do not work in the UK for more than six months in any tax year (6 April - 5 April), they are not usually required to pay UK income tax in addition to tax in their country of residence.

Current levels of UK Income Tax are shown in Appendix I.

20 BODIES WHICH ENFORCE EMPLOYMENT LAW

Health & Safety Commission

The Health & Safety Commission (HSC) was established to secure the health and safety of people at work and to protect the population from health and safety risks created by industry. It directs the work of the Health & Safety Executive (HSE), which is charged with ensuring that companies comply with the Health & Safety at Work etc. Act 1974 and the supporting regulations and with bringing prosecutions under the Act.

The HSE is divided into separate Inspectorates for each industry and these employ Factory Inspectors responsible for a given geographical area. There is also a central HSE specialist Construction Industry National Interest Group.

The main powers which Factory Inspectors have are to enter and inspect premises to collect information and take samples, to place improvement notices which require an employer to remedy any health or safety problems identified by the Factory Inspector and to issue prohibition notices which instruct an employer to cease an unsafe practice immediately. A Factory Inspector therefore has the power to stop work on a construction site if he thinks it is necessary to do so.

Industrial Tribunals and the Employment Appeals Tribunal

Industrial Tribunals are empowered to hear cases relating to unfair dismissal and other statutory employment rights and have recently been given jurisdiction to hear contractual claims up to a limit of £25,000.

Industrial Tribunals are usually composed of three people: A Chairman, who must be a barrister or solicitor, and two lay representatives appointed to provide practical experience of industry rather than to represent or promote the employer's or employee's side in a case.

In a recent innovation (1993), some claims, which involve preliminary issues regarding, say, jurisdiction or those brought for interim relief in health and safety or trades union dismissal cases, and claims under the Wages Act 1986 may be heard by the Chairman sitting alone. This is also an option in all other Industrial Tribunal cases if the parties to the case so wish it. It is thought that cases heard by a Chairman alone may be dealt with more quickly.

The legislators who introduced Industrial Tribunals intended that they should act quickly and that procedure in the hearing should be informal. In reality there is now a substantial backlog of cases to be heard by the Tribunals and procedure has become increasingly legalistic. The majority of employers and employees who go before a Tribunal are either legally represented or represented by an expert.

Appeal from an Industrial Tribunal on questions of law is to the Employment Appeals Tribunal (EAT), thereafter the Court of Appeal (Court of Session in Scotland), and finally the House of Lords. Further appeal may be made to the European Court of Justice.

Discrimination cases brought under the Fair Employment (Northern Ireland) Act 1989 are heard by the Fair Employment Tribunal (see below).

Industrial Tribunals sit in most major towns. The Central Office of Industrial Tribunals is located in Southgate Street, Bury St Edmunds, Suffolk IP3 2AQ (Tel: +44 (0)1284 762300). The Central Office of Tribunals (Scotland) is in Andrews House, 141 West Nile Street, Glasgow G1 2RU (Tel: (+44 (0)141 331 1601).

Equal Opportunities Commission

The Equal Opportunities Commission (EOC) was established by the Sex Discrimination Act 1975. Its purpose is to promote equality of opportunity between men and women and to eliminate discrimination. The EOC has published a Code of Practice for the elimination of discrimination on the grounds of sex and marriage and the promotion of equality of opportunity in employment. Failure to observe the Code is not in itself unlawful, but in any proceedings before an Industrial Tribunal the provisions of the Code will be taken into account.

It has power to investigate employers it believes may be contravening the Act and can serve non-discrimination notices which can require an employer to cease any unlawful acts or to take action to comply with the law. It can also support proceedings brought by employees against their employer.

The EOC is based at Overseas House, Quay Street, Manchester M3 3HN (Tel: +44 (0)161 833 9244).

Commission for Racial Equality

The Commission for Racial Equality (CRE) was established by the Race Relations Act 1976. Its purposes are to promote good relations between persons of different racial groups and to work towards the elimination of discrimination. Its powers are the same as those of the EOC in that it may investigate employers, serve non-discrimination notices and support proceedings brought by employees.

The CRE has also published a Code of Practice for the elimination of racial discrimination and the promotion of equality of opportunity in employment. Failure to observe the Code is not in itself unlawful, but its provisions will be taken into account by Industrial Tribunals hearing discrimination cases.

The CRE is based at Elliot House, 10-12 Allington Street, London SW2E 5EH (Tel: +44 (0)171 828 7022).

Fair Employment Commission (Northern Ireland)

The Fair Employment Commission (FEC) was established by the Fair Employment (Northern Ireland) Act 1989. Its purpose is to promote equality of opportunity and fair participation by both religious communities in employment, and to eliminate unlawful discrimination between the religious communities.

All employers with more than 10 employees in Northern Ireland must register with the Commission and submit an annual return of the religious composition of the work force. Employers are also required to review and report to the FEC at least every three years on their recruitment, training and promotion practices. As a result of these reviews, employers may take, or be required to take, affirmative action to improve the procedures and practices used.

The FEC has established a Code of Practice. Failure to observe any of its provisions is not in itself unlawful but close regard should be paid to it because in its enforcement of the law the FEC will have regard to the Code's guidance and the Fair Employment Tribunal will take its recommendations into account.

As a result of the registration and reporting requirements on employers the FEC has a greater influence in the employment field than do the other Commissions in the rest of the UK.

The address of the FEC is Andras House, 60 Great Victoria Street, Belfast BT2 7BB (Tel: +44 (0)1232 240020).

Advisory, Conciliation and Arbitration Service

The Advisory, Conciliation and Arbitration Service (ACAS) was established in 1976 with the general aim of promoting the improvement of industrial relations. As its name suggests it can provide advice on industrial relations either via booklets it publishes or from a member of its staff. It also issues codes of practice on good personnel practice, most notably the Code on "Disciplinary Practice and Procedures in Employment", available from Her Majesty's Stationery Office (HMSO). ACAS also offers conciliation, arbitration and mediation services to the parties involved in collective disputes and conciliation services in cases being taken before Industrial Tribunals.

ACAS has offices in most major towns. The head office is at 27 Wilton Street, London SW1X 7AZ (Tel: +44 (0)171 210 3000).

Inland Revenue

The Inland Revenue is responsible for the collection of income tax and the enforcement of tax law in the UK and may audit employers' payrolls and subcontract records for tax anomalies. This is particularly relevant in the construction industry because of the legal complexities over the definitions of employment and self employment.

The Inland Revenue operates through local offices.

Benefits Agency

The Benefits Agency has similar responsibilities and powers in the application of the law relating to National Insurance contributions. Again, Benefits Agency investigations are of particular relevance in the construction industry because of the legal complexities of employment/self employment.

The Benefits Agency operates through local offices.

21 COLLECTIVE BARGAINING STRUCTURE

21.1 Managerial, Technical, Clerical and Other Staff

On the whole, the terms and conditions of employment of staff employed in the UK construction industry are determined by negotiation between the individual members of staff concerned and their employer.

A national agreement does however exist for technical, administrative and clerical staff employed in the heating and ventilating, electrical contracting and plumbing sectors, known collectively as the environmental engineering industry. The agreement is negotiated

between the Engineering and Electrical Staff Association (EESA) for the employees, and the Electrical Contractors' Association, the Electrical Contractors' Association for Scotland, The National Association for Plumbing, Heating and Mechanical Services Contractors and the Heating and Ventilating Contractors' Association. However application of the Agreement even by members of these employer associations is not universal.

In a handful of companies, technical and clerical staff negotiate collectively with their employer, but in the main the salaries and other terms of employment of staff employed in the construction industry are established between individuals and their employers.

22 MANUAL EMPLOYEES (OPERATIVES)

22.1 Building and Civil Engineering

The principal terms of the building and civil engineering industries' Working Rule Agreements are negotiated annually by the Building and Civil Engineering Joint Board.

Representation on the employers' side:

Building Employers Confederation (BEC)
Federation of Civil Engineering Contractors (FCEC)

Representation on the employees side:

Transport and General Workers Union (TGWU)
Union of Construction, Allied Trades & Technicians (UCATT)
General Municipal & Boilermakers Union (GMB)

However the detailed terms of employment in the building and civil engineering industries are dealt with separately, in the National Joint Council for the Building Industry (NJCBI) and the Civil Engineering Construction Conciliation Board (CECCB).

a) CECCB

The CECCB Working Rule Agreement is negotiated between the FCED on the employers' side and the TGWU, UCATT and GMB.

A supplementary agreement negotiated between the FCED and the Amalgamated Engineering and Electrical Union brings electricians employed in civil engineering within its terms but with rates of pay in line with the Electrical Contracting JIB agreement (see below).

The CECCB Working Rule Agreement was first signed in 1921. It has been substantially revised from time to time since, most

recently in 1953. Its scope is all civil engineering work in Great Britain (i.e. excluding Northern Ireland). The Agreement does not have a scope clause as other agreements such as NAECI do, but civil engineering can be described as the construction of roads, railways, bridges (usually excluding steel bridges), harbours, dams, sea defences, tunnels, sewers and water works, concrete structures, concrete frames for buildings and the foundations of buildings and other structures. It also specifically covers opencast coal extraction and asphalt laying. Its terms have generally been used as the basis of agreements in related industries including quarrying, construction plant hire and the demolition industries.

The CECCB Agreement establishes a two part wages structure of base rate and bonus. In comparison with average earnings in the industry, the base rate is low. The bonus element usually represents between 50 and 100% of base rate and not only gives workers a work incentive but also brings weekly earnings up to the 'going rate' for the area.

Overtime is a frequent occurrence in the civil engineering industry in view of the weather, natural phenomena such as tides and the machine oriented nature of a significant part of the work. It tends to be accepted or tolerated by the civil engineering work force since a significant proportion of them are travelling men.

A feature of the building and civil engineering industry agreements is that holiday pay is paid by a stamped card system run by the Building and Civil Engineering Holidays Scheme Management Ltd. In 1942 in recognition of the itinerant nature of a large proportion of its workforce, the industry introduced a card to which a stamp is fixed each week by the employer. This card is cashed when the operative takes holiday. The purpose of the system is to ensure that each employer of an operative during a year pays a fair contribution towards that man's holiday. The scheme now also pays for his Death and Accident Benefits and provides a full range of pensions for building and civil engineering operatives. The scheme is also used in the plant hire and demolition industries.

It is not necessary to be a member of the FCEC to use the Working Rule Agreement but the FCEC does not assist employers who are not members with the final national level of the disputes procedure. The FCEC address is Cowdray House, 6 Portugal Street, London WC2A 2HH.

b) National Joint Council for the Building Industry (NJCBI)

The NJCBI National Working Rules were first negotiated in 1908 although they have been substantially changed many times since

then. The scope of the agreement is the building industry. There are only minor differences between the building and civil engineering Working Rule Agreements, principally over the overtime premia, travelling allowances (in Scotland only), and consequently details of the NJCBI Working Rules are not given in the appendix. However a copy of the agreement may be obtained from the BEC Publications Department, Federation House, 2309 Coventry Road, Sheldon, Birmingham B26 3PL.

There has been a significant move away from the direct employment of operatives in the building industry towards self employment. This is permitted under the Working Rules (see NWR 26) so long as the self employed worker's pay rate is no less than the minimum rate of pay in the National Working Rules. However there are tax and National Insurance traps waiting for the unwary employer who misuses self employed individuals and advice should be sought from accountants or lawyers in the UK before an employer new to the UK departs from direct employment in accordance with the National Working Rules.

It is not necessary to be a member of the BEC (82 New Cavendish Street, London W1M 8AD) to use the agreement but again non members will not receive assistance from the BEC in disputes cases which are taken through the industry's procedure at both local and national panel levels.

22.2 Engineering Construction

The National Agreement for the Engineering Construction Industry (NAECI) is negotiated between, for the employers

Engineering Construction Industry Association (ECIA)
Thermal Insulation Contractors Association (TICA)
Electrical Contractors Association of Scotland (ECAS)

and for the employees:

Amalgamated Engineering & Electrical Union (AEEU)
General Municipal and Boilermakers Union (GMB)
Transport and General Workers Union (TGWU)
Manufacturing, Science and Finance Union (MSF)

The Agreement first came into force in November 1981 to exert discipline over the engineering construction industry which in the sixties and seventies was characterised in the words of a National Economic Development Office report, "by all major contracts being late and overspent, and by the existence of a highly unstable industrial relations climate". Industrial disputes were commonplace because the agreements which preceded the NAECI were imprecise and left too

many significant terms and conditions of employment to be negotiated at site level.

By the second half of the 1970's, a consensus built up among the clients and contractors and senior union officers that there was an urgent need for change. Negotiations began which concluded in the creation of the National Agreement and the National Joint Council for the Engineering Construction Industry in 1981.

The Agreement, and the commitment given to it by both unions and management, have transformed the industry and industrial disruption which delays projects has been virtually unknown since its introduction.

The National Agreement is characterised by relatively high basic rates of pay, a strict control over bonus earnings or "second tier payments", and the restriction of excessive overtime working but the encouragement of progressive shift arrangements. The agreement covers most items in detail, since the philosophy of the National Joint Council, in view of the history which had preceded its creation, was to limit strictly the scope for local bargaining.

This is particularly so on the major projects which are "nominated" under the National Agreement. Nominated projects are projects of sufficient size and significance to the construction industry as a whole for the National Joint Council to be concerned to monitor their progress closely.

On a nominated project, on-site industrial relations are managed by both the contractors and the unions. They are preceded by a "Pre-job Conference" at which the client, the unions and contractors discuss the project programme, its duration, the anticipated manning levels and the methods of working. From this conference a Project Joint Council (PJC) emerges to oversee industrial relations on the project. The PJC is constituted from the principal contractors, the local union full time officers and a shop steward from each section of each union. It meets monthly. It receives reports on site progress and an audit report on the payroll of each contractor. This audit report highlights any deviation from the correct payments under the National Agreement. The employers' ability to make payments at their discretion and the unions' freedom to demand higher wages are strictly circumscribed.

In order to co-ordinate the industrial relations policies of the various contractors on a Nominated Project, the PJC negotiates a Supplementary Project Agreement which covers all the items in the NAECI left for settlement at site level, including hours of work, breaks, overtime arrangements, the bonus scheme to be applied, when fixed holidays will be taken, the issue of protective clothing, site security and parking arrangements.

The provisions in the National Agreement give a high degree of control over the wages earned by workers in the industry, while not restricting earnings to low levels.

There is nothing to prevent a firm which is not a member of a signatory employers' association from applying the terms of the NAECI to its employees but non-members have no access to the external stages of the disputes procedure. Decisions taken at National Joint Council or Project Joint Council level in this procedure are final and binding on the member firms of signatory employer associations and the members of the signatory trade unions.

Copies of the agreement may be obtained from the Engineering Construction Industry Association, 17 Dartmouth Street, London SW1H 9BL (Tel: +44 (0)171 799 2000).

22.3 Electrical Contracting

The National Working Rules of the Joint Industry Board for the Electrical Contracting Industry (JIB) apply to electrical contracting in England and Wales. Electricians in Scotland have a separate agreement with the Scottish electrical contractors. The two agreements have been entirely separate in the past, but the principal items are now gradually being harmonised.

The JIB first came into being in 1968 following a series of strikes and lock outs often with a political basis which had given electrical contracting a poor reputation. The old Industrial Agreement allowed a wide variety of "plus payments" for abnormal conditions which were used as devices to claim increases in pay at site level. The new agreement signed in 1968 bought out all the site payments and has succeeded in bringing stability to the industry.

The JIB Agreement is negotiated between the Electrical Contractors' Association and the Amalgamated Engineering and Electrical Union (EETPU Section). The JIB Agreement, like the NAECI Agreement, sets relatively high national wage rates and there is virtually no scope for negotiation at site level. Overtime is discouraged by the JIB. The permission of the Regional JIB is required if systematic overtime in excess of the $37\frac{1}{2}$ hour normal working week is worked.

On major projects both nominated and non-nominated under the NAECI, the JIB has recognised the need to harmonise the earnings potential of craftsmen employed under the NAECI and JIB agreements. As a consequence the JIB will set a "second tier" productivity payment for nominated projects and permit overtime in line with the hours agreed in the Supplementary Project Agreement.

It will be noted that all changes to the Agreement are made by the JIB and are not for local determination. There are provisions in the Agreement for Controlled Financial Incentive Schemes, but the use of such formal schemes tends to be limited. However electrical contractors and their employees frequently organise more informal bonus arrangements. These do not tend to cause problems on minor projects but would be tolerated on major projects particularly those which are nominated under NAECL.

The JIB also oversees the electrical apprenticeship scheme in the UK and has an exemption from the Industrial Tribunal structure for unfair dismissal cases so that it applies UK employment law in this area in its industry. Its address is Kingswood House, 47/51 Sidcup Hill, Sidcup, Kent DA14 6HP.

22.4 Heating & Ventilating Contracting

The National Agreement as to Working Rules for Operatives in the Heating, Ventilating and Air Conditioning sector is negotiated between, for the employers:

Heating & Ventilating Contractors' Association (HVCA)

and for the employee:

Manufacturing Science and Finance Union (MSF).

The Agreement was first issued in 1911 as a mechanism principally for establishing recognised pay rates for the trades then employed in the industry. The National Agreement has developed and evolved over the years to set the basic terms and conditions of employment of operatives employed in the industry. The scope of the National Agreement comprises work related to the heating, ventilating, air conditioning, piping and domestic engineering industry. This includes all forms of piping, including gas installations and plastic pipework; all forms of boilers, including oil fired installations; sprinkler (fire protection) installations; heated ceilings; ductwork erection; thermal insulation; and associated service and maintenance.

The Agreement tends to be used flexibly by employers. Some sectors of the industry, such as refrigeration, have evolved largely outside the scope of collective bargaining. On the other hand many employers, particularly those specialising in industrial and commercial installation, apply the Agreement strictly. Others involved in service and maintenance and domestic engineering, regard the National Agreement as only one of a number of possible sets of terms and conditions of employment which could be used. There is no requirement for members of the Heating and Ventilating Contractors' Association to apply the terms of the National Agreement by virtue of their membership.

The Agreement is also used for ductwork manufacture in Northern Ireland; and special arrangements exist under the aegis of the National Agreement for the pay of pipe fitting operatives in that province. There is a Supplementary Agreement for HVAC work carried out within the engineering construction sector on sites "nominated" by the NJC for the engineering construction industry (see Section 22.2 above).

The basic working week under the National Agreement is 38 hours per week with relatively high basic rates set nationally. There is no industry-wide administrative apparatus for limiting or sanctioning overtime working but the Agreement recognises that overtime must be contained.

The Agreement includes a graded pay structure which reflects working practices within the industry and the integral part played by welding in much of the industry's activities. Grades are defined by a combination of factors relating either to competence and/or conditions agreed between the two sides of industry and overseen through the National Joint Industrial Council. The NJIC is also responsible for overseeing the industry's apprentice training arrangements.

Pay for annual and public holidays, sick pay and certain other welfare benefits (such as death benefit) are provided by WELPLAN, the industry's welfare and holiday scheme administered by a wholly owned subsidiary company of HVCA, H&V Welfare Ltd from offices at Old Mansion House, Eamont Bridge, Penrith, Cumbria CA10 2BX. The WELPLAN rules are set out in a Supplement to the National Agreement.

Copies of the National Agreement may be obtained from HVCA Publications, Old Mansion House, Eamont Bridge, Penrith, Cumbria CA10 2BX (Tel: +44 (0)1768 64771).

22.5 Others

There are a number of other National Working Rule agreements operating in the construction industry in the UK, notably those covering plumbing and mechanical services, thermal insulation, demolition, plant hire, mastic asphalt laying, quarrying, sand and gravel extraction. Details of these are not given in the appendix, but the European Construction Institute can provide the addresses of the sources of information on these agreements.

APPENDIX I

(a) NATIONAL INSURANCE

Each of the following rates is reviewed annually in the Chancellor's Autumn Statement/Budget each year. The rates set are then effective from the following April. The rates below are those applying from April 1996.

Either (i) or (ii) below applies, depending on whether the employee is contracted into or out of the State Earnings Related Pension Scheme (SERPS).

(i) Standard Rates - For Those Contracted into SERPS

Earnings	Employee	Employer All Earnings
Below £61.00 per week	Nil	Nil
£ 61.00 - 109.99 weekly		3.0%
£265.00 - 476.99 monthly		
£110.00 - 154.99 weekly	2% of £61.00	5.0%
£477.00 - 671.99 monthly	plus 10% on earnings between £61 and £455 per week	
£155.00 - 209.99 weekly		
£672.00 - 909.99 monthly		7.0%
£210.00 - 455.00 weekly		
£910.00 - 1972.00 monthly		10.2%
Over £ 455.00 weekly		
Over £1972.00 monthly	No further liability	10.2%

(ii) Standard Rates - For Those Contracted Out of SERPS

Earnings	Employee	Employer All Earnings
Below £61 per week or equivalent	Nil	Nil
£ 61.00 - 109.99 weekly		
£265.00 - 476.99 monthly		Nil
£110.00 - 154.99 weekly		
£477.00 - 671.99 monthly		2.0%
£155.00 - 209.99 weekly	2.0% of £61 plus	
£672.00 - 909.99 monthly	8.2% on earnings between £61 - £455	4.0%
£210.00 - 455.00 weekly		
£910.00 - 1972.00 monthly		7.2%
Over £ 455.00 weekly		
Over £1972.00 monthly	No further liability	10.2%

There are special, reduced rates for certain women who were married or widowed before April 1977.

A useful guide to National Insurance requirements, entitled *Quick Guide for Employers*, reference CA 27(NI 268), can be obtained from local Social Security offices.

(b) STATUTORY SICK PAY

The following earnings bands and rates of Statutory Sick Pay apply with effect from 6 April 1996:

Average weekly earnings	Weekly rate of SSP
£61 and over	£54.55
£60 or less	Nil

In the past some of SSP paid by employers could be recovered from NI contributions made. This provision was withdrawn for most employers in April 1994.

(c) STATUTORY MATERNITY PAY

The following weekly rates of SMP apply with effect from April 1996:

	Weekly rate
Higher rate	90% of employee's weekly earnings for first six weeks of maternity
Lower rate	£54.55 thereafter for up to 12 weeks

(d) PAY AS YOU EARN INCOME TAX

Income tax bands at April 1996 are:

20%	-	on the first £3,900 above an individual's tax allowance
24%	-	on the next £21,600
40%	-	on all further earnings (i.e. allowance plus £25,500)

A useful guide to PAYE, entitled *Expenses and Benefits - A Tax Guide*, can be obtained from local Tax Offices.

(e) TRIBUNAL AWARDS

The awards which may be made by Industrial Tribunals are reviewed annually. The following apply from Autumn 1995.

Unfair dismissal basic award	-	£ 6,300 maximum
Unfair dismissal compensatory award	-	£11,300 maximum

Substantially higher awards may be made by Tribunals in certain cases (e.g. sex or race discrimination, trade union membership cases) and in particular if any employer is ordered to re-employ an employee whom the tribunal decides was unfairly dismissed or discriminated against and the employer refuses.

(f) CITB LEVY/ECITB LEVY

The statutory Construction Industry Training Board levy is currently 0.25% of annual payroll plus 2% of self employed and labour-only subcontractor turnover.

The statutory Engineering Construction Industry Training Board levy is 1.5% of site payroll and 2% of site labour-only subcontractor turnover. Contractors which employ 40 or more personnel at their head office also pay a levy of 0.4% of head office payroll and 0.5% of head office labour-only subcontract turnover.

NB. There are no equivalent statutory established training bodies in the electrical contracting or heating and ventilating sectors. Companies which operate in these sectors are not required to pay the above levies.

(f) REDUNDANCY

Maximum weekly wage £210.00.

APPENDIX II

USEFUL ADDRESSES

Advisory, Conciliation and Arbitration Service, 27 Wilton Street, London SW1X 7AZ
(+44 (0)171 210 3000)

Building Employers Confederation, 82 Cavendish Street, London W1M 8AD
(+44 (0)171 580 5588)

Central Office of Industrial Tribunals (Scotland), The Eagle Building, 3rd Floor,
215 Bothwell Street, Glasgow G2 7TS (+44 (0)141 204 0730)

Commission for Racial Equality, Elliot House, 10-12 Allington Street, London
SW2E 5EH (+44 (0)171 828 7022)

Confederation of British Industry, Centre Point, 103 New Oxford Street, London
WC1A 1DU (+44 (0)171 379 7400)

Construction Industry Training Board, Bircham Newton, Kings Lynn, Norfolk,
PE31 6CH (+44 (0)1533 776677)

Department for Education & Employment, Overseas Labour, Porterbrook
House, Pear Street, Sheffield S11 8GS (Tel: +44 (0)114 259 4074)

Electrical Contractors' Association, ESCA House, 34 Palace Court, London W2 4HY
(+44 (0)171 229 1266)

Electrical Contractors' Association for Scotland, Bush House, Bush Estate, New
Penicuik, Midlothian, Scotland EH26 0SB (+44 (0)131 445 5577)

Engineering Construction Industry Association, 17 Dartmouth Street, London
SW1H 9BL (+44 (0)172 799 2000)

Engineering Construction Industry Training Board, Blue Court, Church Lane,
Kings Langley, Hertfordshire, WD4 8JT (+44 (0)1923 260000)

Equal Opportunities Commission, Overseas House, Quay Street, Manchester M3
3HN (+44 (0)161 833 9244)

European Construction Institute, Sir Arnold Hall Building, Loughborough
University, Loughborough, Leicestershire LE11 3TU (+44 (0)1509 222620)

Fair Employment Commission (Northern Ireland), Andras House, 60 Great
Victoria Street, Belfast BT2 7BB (+44 (0)1232 240020)

Health & Safety Executive, 1 Long Lane, London SE1 4PG (+44 (0)171 407 8911)

H&V Welfare Ltd, Old Mansion House, Eamont Bridge, Penrith, Cumbria CA10 2BX.

Heating and Ventilating Contractors' Association, ESCA House, 34 Palace Court, London W2 4JG (+44 (0)171 229 2488)

Her Majesty's Stationery Office, Publications Centre, PO Box 276, London SW8 5DT (+44 (0)171 873 0011 or 9090).

Scottish Building Employers Federation, 13 Woodside Crescent, Glasgow G3 4HY (+44 (0)141 332 7144)

Thermal Insulation Contractors' Association, Kensway House, 388 High Street, Ilford, Essex IG1 1TL (+44 (0)181 514 2120)

Trade Union Congress, Congress House, 23-28 Great Russell Street, London WC1R 3LS (+44 (0)171 636 4030)

APPENDIX III

COMPARISON OF MAJOR CONSTRUCTION INDUSTRY NATIONAL AGREEMENTS

FACTOR	NATIONAL AGREEMENT FOR THE ENGINEERING CONSTRUCTION INDUSTRY	ELECTRICAL CONTRACTING NATIONAL WORKING RULES	CIVIL & BUILDING WORKING RULE AGREEMENTS	HEATING & VENTILATING CONTRACTING NATIONAL WORKING RULES
Date of implementation of last wage increase	6 January 1997	1 January 1997	24 June 1996	11 October 1996
Date of next wage review	January 1998	Not determined	June 1997	September 1997
Rates of Pay	£ per hour	£ per hour	£ per hour	£ per hour
Basic Advanced Rate Skilled	6.62	6.64	None	6.13
Basic Skilled Rate	6.29	6.13	4.58	5.60
Basic Semi-Skilled Rate	5.30 Grade 3 4.63 Grade 2		Plus rates on the unskilled rate There is a wide range dependent on skill exercised or item of plant operated	5.33 5.02
Basic Unskilled Rate Labour	3.97 Grade 1	4.78	3.79	4.49
Productivity Bonus Schemes And Fixed Rate Bonus Payments	Each of the above national agreements permits productivity bonus schemes or fixed rate bonus payments in specified circumstances			
Average weekly earnings* *From 1995 New Earnings Survey	£359.40	£338.50	£327.80	£313.00

**COMPARISON OF MAJOR NATIONAL AGREEMENTS RELEVANT TO CONSTRUCTION SITES
GUARANTEED MINIMA**

FACTOR	ENGINEERING CONSTRUCTION	ELECTRICAL CONTRACTING	CIVIL & BUILDING	HEATING & VENTILATING CONTRACTING
Short time working	May be agreed as an alternative to redundancy	No rules in the Agreement	No rules in the Agreement	May be mutually agreed in the event of industrial dislocation
Guaranteed Minimum Payment per week	38 hours at basic rate payment in each pay week. Guarantee automatically suspended in event of industrial action on site	No rules in the Agreement	39 hours at basic rate and any Plus rate	38 hours at basic rate
Lay off rules	In case of external industrial disputes: after one full week's guaranteed minimum rate has been paid.	Statutory provisions only	After one full week's Guaranteed Minimum has been paid	No general rules in the Agreement
Inclement weather provisions	Guaranteed minimum applies	No rules in the Agreement	Guaranteed minimum applies	Guaranteed minimum applies
Allowances				
Protective clothing. Tool Payments, etc.	Free issue boiler suits and safety boots, subject to service	None. Electricians are required to provide their own hand tools.	Tool Money: 99p or 194p/week for certain defined tradesmen. Tool insurance provided.	Safety boots and tools are supplied by employer.
Abnormal conditions	Determined by PJC Panel	Nil. Although JIB may look at exceptional circumstances	The Conciliation Board may award special allowances for abnormal conditions	Abnormal Condition Payment: £2.56 per day Swing/Cradles: £0.27 per hr
Height Money (dependent on height work takes place)	Yes	No	Yes	Yes
Lodging/Subsistence Allowance	£17.75 per night Operatives working within the North and South Circular Roads receive an Inner London Supplement of £4.58 per day (taxable) in addition to the standard accommodation allowance (weekly figure £32.06).	£19.15 per night	£18.83 per night	£20.50 per night

**COMPARISON OF MAJOR NATIONAL AGREEMENTS RELEVANT TO CONSTRUCTION SITES
GUARANTEED MINIMA (Contd)**

FACTOR	ENGINEERING CONSTRUCTION	ELECTRICAL CONTRACTING	CIVIL & BUILDING	HEATING & VENTILATING CONTRACTING
Travel				
Number of weekends' travel home per year	12 arranged where possible to coincide with recognised holiday periods.	Miles from home: 36 - 100 26 101 - 250 13 251+ 13	Less than 80 miles from home: 9 (ie every 6 weeks). More than 80 miles from home: by mutual agreement	26
Home (or employer's premises) to Site - Each of the above agreements contains provision for payments related to distance travelled. Travel Allowances (a) in transport provided by the employer and (b) in cases where transport is not provided by the employer.				
Example 15 miles distance to site (a) transport provided (b) transport not provided	6.56 9.83	6.80 11.62	1.44 5.12	3.02 3.02 plus fares
Special provisions are made in some agreements for travel payments in the London area				
Working Hours				
Normal working week	38 hours	(37½ hours - Monday to Friday 38 hours on NAECI nominated sites) (Extra payment for overtime starts only after 38 hours)	39 hours day workers 40 hours shift workers	38 hours (Payment for overtime starts after 40 hours.)
In all cases the normal working hours relate to the period Monday to Friday				
Shift and Night Working	All of the agreements make provision for shift and night working, for which there are additional payments			

**COMPARISON OF MAJOR NATIONAL AGREEMENTS RELEVANT TO CONSTRUCTION SITES
GUARANTEED MINIMA (Contd)**

FACTOR	ENGINEERING CONSTRUCTION	ELECTRICAL CONTRACTING	CIVIL & BUILDING	HEATING & VENTILATING CONTRACTING
Holidays				
Entitlement to paid Annual Holidays in a full year	25 days	21 days	21 days	21 days
Number of Days of Statutory Holiday Entitlement per annum	8 days	8 days	8 days	8 days
Additional payments apply if employee is required to work on a statutory holiday				
Overtime				
Weekday Overtime payment	$1\frac{1}{2}$ T Note: The first weekday over- time hour in any working week is paid at basic rate.	$1\frac{1}{2}$ T Note: The first half hour in any working week is paid at basic rate.	First 4 hours - $1\frac{1}{2}$ T 4 hours + - 2 T	First 4 hours (per day) - $1\frac{1}{2}$ T 4 hours + - 2 T
Saturday Morning Overtime payment	$1\frac{1}{2}$ T First four hours	Start - 1300 - $1\frac{1}{2}$ T	$1\frac{1}{2}$ T (for first 4 hours)	First 5 hours - $1\frac{1}{2}$ T 5 hours + - 2 T
Saturday Afternoon Overtime payment	2 T Afternoon	1300 + - 2 T	2T (or after 4 hours)	After first 5 hours 2 T
Sunday Overtime payment	2 T	2 T	2 T	2T
Note: $1\frac{1}{2}$ T means 1.5 times the basic hourly rate of pay 2 T means double the basic hourly rate of pay				

COMPARISON OF MAJOR NATIONAL AGREEMENTS RELEVANT TO CONSTRUCTION SITES GUARANTEED MINIMA (Contd)

FACTOR	ENGINEERING CONSTRUCTION	ELECTRICAL CONTRACTING	CIVIL & BUILDING	HEATING & VENTILATING CONTRACTING
Sickness Benefit (paid in addition to Statutory Sick Pay)				
1. Entitlement	Industry sick pay scheme	Industry sick pay scheme and private health insurance	Industry sick pay scheme	Industry sick pay scheme (WELPLAN)
2. Payment Period	52 weeks (excludes first 3 days)	52 weeks (excludes first 3 days)	Up to 10 weeks (excluding first 3 days)	52 weeks
3. Amount of Payment	£40.00 per week	4 - 14 days - £6.00 3 - 28 week - £24.50 289- 52 week - £21.00	£60.50 per week	Example of Adv. Fitter Payment Weeks 1 - 28 £116.20 29 - 52 £58.10
Death and Disability	Each of the above agreements requires employers to provide insurance cover against death or disability of employees, so as to provide benefits for the disabled employee, or the beneficiaries of the deceased. These arrangements are additional to and separate from employers' legal liabilities.			
Termination of Employment				
Notice required to be given to employee with service as follows: Less than 5 days 5 days - 5 days 6 days - 3 weeks 3 weeks - 4 weeks 4 weeks - 2 years 2 years - 12 years	2 hours 2 hours 2 hours 2 hours 1 week One week for each complete year of service	1 day 1 day 1 day 1 day 1 week One week for each complete year of service	2 hours 1 day 1 day 1 week 1 week One week for each complete year of service	Rest of day - but not less than 2 hours } Rest of day, but not less than } one day } one day One week for each complete year of service
More than 12 years	12 weeks notice	12 weeks notice	12 weeks notice	12 weeks notice
Pensions				
Pension Arrangements within Collective Agreements	Voluntary scheme	Voluntary scheme	Employer Financed Retirement Benefit Scheme plus a range of voluntary schemes	Voluntary scheme

MEMBERS OF THE EMPLOYMENT CONDITIONS IN EUROPE TASK FORCE

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