

Joint Industry Board for the Electrical Contracting Industry comments

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The London Plan Response

The Joint Industry Board for the Electrical Contracting Industry (“JIB”) sets standards for employment, welfare, grading and apprentice training in the electrical contracting industry. The JIB administers the collective bargaining agreement for the industry, negotiated by the parties to the JIB; the ECA and Unite the Union. Apprentices in the electrical industry are registered with the JIB under an approved Apprenticeship Training Scheme and in line with the applicable framework standard for the UK region. This includes industry agreed terms and conditions for those employed under the collective agreement.

The JIB and Scottish JIB jointly administer the Electrotechnical Certification Scheme (“ECS”). ECS is a partner scheme of Construction Skills Certification Scheme (“CSCS”) and is recognised and endorsed by the electrical industry, allied trades and specialist industries. ECS is used for identification and competence assessment of workers in the electrotechnical industry, displaying appropriate grading (level of occupational competence aligned to qualification and experience requirements), health, safety and environmental awareness, qualifications and verified identity.

Jobs, Apprenticeships and Training

Off-site manufacturing may reduce requirements for construction labour on some projects, but this cannot be thought of as a miracle cure for the current poor state of skills development within the London construction sector.

In order to maximise skills-and-employment outcomes, contractors and developers should be required to emulate best-practice examples such as the Olympic Park, TfL, Crossrail and Tideway. This should include explicit contractually-binding numerical apprenticeship targets linked either to workforce ratios or contract value (for instance, the one apprentice per £3 million metric being applied by TfL, HS2 and Network Rail as part of the Transport Infrastructure Skills Strategy).

Qualitative measures of skills-and-employment outcomes should also be defined, made contractually binding, and enforced. Job starts should be of a minimum duration, and with an emphasis on opportunities for the genuinely long-term unemployed and other disadvantaged groups. Apprenticeships must provide the necessary value in terms of skills and development, including industry-recognised skills. Currently, there are too many fast track routes into construction that have little consideration for broad, transferable skills or competence. Individuals who follow these routes later find it difficult or impossible to find well-remunerated, safe and secure work. For example, the electrical contracting industry's minimum standard for skilled status is Vocational Qualification Level 3. This is achieved through completion of an apprenticeship or underpinning technical theory to a level 3, the completion of on-site work assessments to NVQ Level 3, and a practical performance assessment, the AM2. This process normally takes between 12 and 42 months, depending on prior experience and qualifications.

Monitoring the quality of apprenticeship delivery and completions is just as important. Developers and contractors should be discouraged from using college or training providers with low OFSTED ratings and/or a poor track record of delivering construction skills. Given the heavy reliance on subcontractors to carry out most of the construction work envisaged in the London Plan, subcontractor involvement in delivering jobs, apprenticeships and other outcomes like work placements should be maximised and supported. Given the high proportion of subcontractors that are SMEs this is likely to require external assistance. For example, in the electrical contracting sector the lead training provider, JTL, is able to secure high completion rates to industry-recognised standards at the same time as taking much of the administrative burden associated with apprenticeships away from SME employers. A cross-London brokerage arrangement should also help employers of all sizes and tiers meet, and ideally surpass, their minimum skills-and-employment obligations.

Finally, active engagement with industry-led organisations, such as the JIB, JTL, Unite the Union and the Electrical Contractors' Association, should assist the Construction Academy Scheme in achieving its objectives of maximising skills-and-employment opportunities, promoting equality and diversity, and encouraging under-represented groups to consider future careers in construction.

Pay Levels

The London Plan references the large construction projects which will be undertaken in the coming years, but there is little detail of fair payment structures. Living Wage Foundation membership among construction contractors is extremely low, in large part because client procurement policies often penalise contractors who price in the cost of paying the London Living Wage (LLW) in their tenders. The GLA itself and individual projects like the Olympic Park, Crossrail and Tideway have overcome this obstacle by mandating the LLW and pricing it into all their contracts. To protect the many thousands of Londoners employed in low-paying sectors, such as catering, cleaning, site logistics and security, this practice should be replicated on all London Plan projects.

For construction workers, the LLW is not an effective benchmark. Accordingly, following the examples of HS1, the Olympic Park, Crossrail, Tideway and HS2, a requirement to match applicable construction collective agreement terms and conditions (e.g., CIJC, BATJIC, JIB, HVAC and PMES) as a minimum should also be written into contracts, and compliance with this requirement passed down by developers and main contractors to subcontractors and labour suppliers of whatever tier.

The Welsh Assembly recognises the construction collective agreements within its Procurement Advice Note. Likewise, local councils around the UK are currently recognising and enacting this requirement through Construction Charters. As well as promoting direct employment under national collective agreements, these Charters adopt minimum standards for health and safety, equality and sustainability, and promote the benefits of trade union membership and organisation, recognising the role these can play in good employment relations. More than just a recommendation or guidance, advice from David Gollancz QC of Keating Chambers has confirmed that these Charters can be incorporated into public procurement policies and legally binding contractual provisions, and then flowed down into subcontracts. The JIB will be happy to work with the GLA and individual London councils to develop a similar London Construction Charter and/or Charters, with accompanying contract conditions.

Accreditation of Qualifications and Individual Competence

Non-competent, unqualified workers are a major threat to safety, environmental and quality standards on construction sites in London.

In the electrical contracting industry, the ECS is recognised by the wider Construction Skills Certification Scheme (CSCS) and the Construction Leadership Council as providing assurance that individuals have the appropriate experience, qualifications and safety awareness. Recent changes mean that clients, developers and main contractors can now verify the qualifications of electrotechnical personnel directly through an online software facility called ECS Check. This provides real-time information for auditing and reporting purposes, can be customised to match particular contractual compliance criteria, and is made available to clients, developers and main contractors free of charge. ECS Check should be mandated for use on all London Plan projects to ensure proper standards are in place for one of the most technically demanding and safety-critical construction occupations.

Direct Employment

The London construction industry has the highest levels of false self-employment and lowest levels of apprenticeship training in the UK. This combination of circumstances is not a coincidence. Professor Linda Clarke of Westminster Business School has demonstrated how excessive use of employment agencies and self-employment (most of it false) reduces training provision substantially. JTL has likewise confirmed that London is one of the worst performing areas of the UK when looking at the numbers of electrical apprentices starting and completing.

False self-employment also facilitates the exploitation of undocumented migrant workers, who appear on sites in London with little, if any, construction training or experience. Construction has been noted by the Gangmasters and Labour Abuse Authority (GLAA) as one of the sectors with the highest risk of exploitation by gangmasters due to the high profits available and vulnerability of a transient site-based workforce. These workers are typically paid well below industry norms, so that the terms and conditions of local qualified tradespeople are undercut. On 21st February 2018, for example, it was reported that the GLAA had launched raids across East London into the exploitation of vulnerable non-UK workers. Operation Magnify has so far investigated 153 construction sites, with more than 250 illegal workers discovered and fines levied passing £1.5 million. The Home Office has reported that 40 of the sites visited were large multi-million pound projects overseen by substantial main-contractor organisations.

In response, we recommend that all projects covered by the London Plan must observe a complete ban on all forms of false self-employment, and adopt all necessary measures to maximise PAYE direct employment, along similar lines to the direct employment policies previously adopted on the Olympic Park and Crossrail. Direct employment gives mutual assurance to allow both employers and individual employees to commit the necessary time, effort and finance to achieve proper training standards in the form of an apprenticeship. Direct employment also facilitates the adoption of fair, industry-recognised terms and conditions and proper verification of qualifications and right to work, whilst reducing risks from labour exploitation and avoidance of tax, national insurance and employment law obligations, which are currently endemic within the London construction market.

Further Discussion

Further to the above concerns and points for discussion, the signatory parties to the JIB Agreement, the ECA and Unite the Union, seek a joint meeting with the Mayor.

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