



# **National Agreement for the Engineering Construction Industry**

**2013 – 2015**



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- Monthly accident report form
- Model individual opt-out provisions & opt-out form (Working Time Regulations)
- Model health screening form and guidance for night workers (Working Time Regulations)
- Application for accommodation allowance
- Application to an NJC Dispute Adjudication Panel
- Application to an NJC Dismissal Arbitration Panel
- Notification of work form (NAECI 20.1)
- NAECI guidance notes

# Chairman's Foreword

The Engineering Construction Industry is critical to the success of the UK economy. The stakeholders in this industry construct and maintain vital projects such as power stations, oil and process plants and deliver other large scale infrastructure investments.

The means of managing labour relationships to ensure project completions to time and budget has rested with the National Agreement for the Engineering Construction Industry (NAECI) since 1981. The NAECI was ground breaking, and with subsequent revisions including this one, has remained so for more than 30 years.

Thus it remains dynamic and the Signatories to it continue to recognise the need to increase its range and flexibility to meet tomorrow's challenges.

The NAECI is a solid and supportive Agreement that brings benefits to all its stakeholders and I am confident that together with its developing expert Guidance Notes it will remain the agreement of choice for engineering construction as its stakeholders strive to deliver what it promises.

The challenge to us all is to demonstrate that we can work effectively within the NAECI, that we can work together to add value ensuring our projects are productive and free from damaging unprocedural action as well as achieving the ultimate goal of completing our projects on time and within budget.

That is the recipe for success for both the Engineering Construction Industry and our collective Agreement - the NAECI.



**Jock Simpson**  
**NJC Executive Chairman**

# Part 1: Core Terms and Conditions

## 1. The NAECI

### 1.1 KEY OBJECTIVE

The 2013 – 2015 NAECI Agreement was concluded between the trades unions and employer representatives on 28 November 2012. It retains, and builds upon, the achievements of NAECI 1981–2012.

The key objective of the NAECI is to continue to supply a modern, robust and 'fit-for-purpose' national employment relations structure that:

- (a) Enables United Kingdom engineering construction industry employers and clients to remain globally competitive;
- (b) Provides attractive terms and conditions and greater security of employment for a competent, motivated, productive and competitive industry workforce; and
- (c) Establishes a sound foundation for further improvements to industry productivity, resourcing and employment relations, assuring global clients of the benefits of continuing to invest in United Kingdom projects and sites.

### 1.2 PARTIES

The signatories to the NAECI are:

- (a) For the trades unions:
  - Unite the Union – [www.unitetheunion.org.uk](http://www.unitetheunion.org.uk)
  - GMB – [www.gmb.org.uk](http://www.gmb.org.uk)
- (b) For the employers:
  - ECIA (Engineering Construction Industry Association) – [www.ecia.co.uk](http://www.ecia.co.uk)
  - TICA (Thermal Insulation Contractors' Association) – [www.tica-acad.co.uk](http://www.tica-acad.co.uk)
  - SELECT (Electrical Contractors' Association, Scotland) – [www.select.org.uk](http://www.select.org.uk)

### 1.3 SCOPE

- (a) Definition

The following work carried out on site by contractors in membership of the signatory employers' associations shall be included within scope of the NAECI:

- (i) Engineering construction projects

Structural steel erection, mechanical, electrical, instrumentation and insulation engineering construction project work (and scaffolding in support of such work) on onshore engineering construction facilities, and expert dismantling of such facilities, anywhere in the United Kingdom mainland, or otherwise as agreed by the NJC.

(ii) Repair and maintenance

Repair, maintenance and minor modification work on onshore engineering construction facilities, except where the client decides that such work should not be included within scope.

(b) Nuclear decommissioning

The signatory parties agree to work together to identify appropriate nuclear decommissioning activities to be brought within scope of the NAECI.

(c) Specific scope provisions

Detailed provisions covering specific in-scope and out-of-scope activities on a particular project, site or event are to be included in any local agreement made under NAECI 20.3, subject to NJC approval and compatibility with (a) above.

## 1.4 NJC

The final authority on the scope, interpretation and application of the NAECI, and the principal responsibility for its review, development and continuous improvement shall rest with the signatory parties, acting together as the National Joint Council for the Engineering Construction Industry ('the NJC').

The establishment, constitution, objectives and duties of the National Joint Council for the Engineering Construction Industry are fully set out in Appendix B to this National Agreement.

## 1.5 DURATION

(a) Duration and revision

The NAECI will remain in effect indefinitely. Revision shall be by agreement of the NJC.

(b) Periodic review

The terms and conditions of employment prescribed in the NAECI shall be reviewed by the NJC typically every 2 or 3 years, and in any event no more frequently than annually. Unless the parties agree otherwise, the implementation date for terms agreed in a review shall not fall earlier than 6 months after the review has been concluded.

(c) Termination

If any party wishes to terminate its involvement in the NAECI, 12 calendar months' notice of intention shall be submitted in writing to the NJC Executive Chairman and the other signatory parties.

## 1.6 OTHER INDUSTRY AGREEMENTS

Where the scope of the NAECI overlaps with another industry agreement, consultations will take place between the NJC and the other parties concerned to establish mutually acceptable arrangements. In this regard the understanding covering thermal insulation work and the agreement with SELECT are set out below.

In those cases where a national arrangement of this sort is not yet in place, any requirement to transfer between work in scope to the NAECI and work in scope to another industry agreement shall be clearly set out, and accurately defined, in the written offer of employment, contract of employment and/or statutory statement of employment particulars issued by the employer to the individual employee concerned.



## 1.6.1 Terms of the Understanding Covering Thermal Insulation Work

The following is the Understanding reached between the National Joint Council for the ECI and the National Joint Council of the TICI at a meeting held on 2 June 2004 at Walmar House, Regent Street, London.

When insulation or the removal of insulation is to be carried out on a Category 1 Major Project, where an agreement has been approved by the NJC, all labour will be employed in accordance with the NAECI, other than the special provisions as identified below.

Labour employed in the insulation or removal of insulation on all other work will be paid in accordance with the National Agreement for the Thermal Insulation Contracting Industry.

However, where it is agreed that insulation is in-scope of the NAECI on such work, the National Joint Council for the Thermal Insulation Contracting Industry will grant a dispensation that the employees of thermal insulation contractors will be paid in accordance with the NAECI.

Special Provisions. The following special provisions apply to employees of thermal insulation contractors:

(a) Holiday pay

The provisions for holiday pay will be under the terms of the NAECI when employed on work in-scope.

(b) Sickness, death and disablement benefits

The provisions of the TICI National Agreement will continue to apply to employees of thermal insulation contractors even when working under the terms of the NAECI. (Subject to NAECI 11.3(c)).

(c) Stripping of asbestos-containing materials

The provisions of the TICI National Agreement in respect of stripping will continue to apply to employees of thermal insulation contractors, even when carrying out such work under the terms of the NAECI. Details of the rates of pay for asbestos removers working under the NAECI are at NAECI 1.6.2 below.

## 1.6.2 Asbestos Removal - Rates of Pay

(a) The following is the understanding reached between the National Joint Council for the ECI and the National Joint Council for the TICI at a meeting held on the 5 July 2006 at Walmar House, Regent Street, London.

Operatives employed in the removal of asbestos containing materials will be reimbursed as follows:

- (i) Recently qualified operatives: Grade 3 x 105%; incentive bonus payment to be 80% of the agreed incentive bonus.
- (ii) Operatives able to work unsupervised: Grade 4 x 92.5%; incentive bonus payment to be 100% of the agreed incentive bonus.
- (iii) Experienced operatives or operatives holding a VQ in asbestos removal: Grade 5 x 92.5%; incentive bonus payment to be 100% of the agreed incentive bonus.
- (iv) Thermal insulation engineer: Grade 5

- (b) Qualification of payment
  - (i) Item (a)(i) paid to the newly qualified operative while in training for a period of 6 months.
  - (ii) After completion of training, payment to be in accordance with item (a)(ii) for a further period of 18 months.
  - (iii) After completing a period of 2 years on site, after qualification as an asbestos remover, payments as detailed on (a)(iii) are to be made.
  - (iv) Operatives in receipt of the Grade 5 x 92.5% payment on 20 April 2006 are to maintain that level of payment.
  - (v) Implementation of this agreement to be Monday 2 October 2006.

### **1.6.3 Agreement between SELECT and the National Joint Council for the Engineering Construction Industry**

It is agreed that SELECT, in recognition of the value to contractors and clients on Major Projects of working to a common agreement, shall become a Signatory to the NAECI with effect from 1 January 1990. Subject only to the qualifications below SELECT fully supports the use of the NAECI on Category 1 Major New Construction Projects in Scotland. On all other Categories, electrical contractors in Scotland will continue to operate under the SJIB Working Rules. These have provided stability for many years in the electrical contracting sector, and SELECT will continue to promote their use.

However when, after due consideration and consultation with its contractors, the client of all other Categories decides that the NAECI should apply to the electrical contracting work, then SELECT and its members will comply.

When electrical contracting work is undertaken under the NAECI, electrical contractors will continue to operate the SJIB Holiday and Welfare Credit Scheme and where appropriate a top-up arrangement will apply to electrical workers in respect of holiday pay and welfare benefits to ensure parity with comparable benefits under the NAECI. In respect of annual holidays parity with the NAECI will be achieved by the accrual of some additional days of holiday to electrical workers depending on the length of time on site.

Under this Agreement electrical contractors will allow in their tender price for contracts adequate levy rates, to be determined by SELECT, which will be used to meet SELECT's agreed commitments to the funding of the NJC. These rates of levy will be reviewed from time to time.

SELECT will be allocated one seat on the NJC which may be occupied by the principal nominated representative or the nominated alternate representative in the absence of the principal.

## **1.7 COMMENCEMENT**

All provisions of the revised NAECI as set out in the present document shall come into effect from Monday 7 January 2013, subject to specific transitional arrangements relating to existing incentive bonus arrangements (see NAECI 19.5).

## **1.8 STAKEHOLDER COMMUNICATIONS, EDUCATION AND ENGAGEMENT**

The signatory parties recognise the importance of promoting among clients and other industry stakeholders the fullest possible understanding and support for the NAECI and the essential employment relations principles on which the NAECI is founded. These principles include a commitment to direct employment (see further NAECI 4).

To assist stakeholder communications, education and engagement, the NJC is constantly addressing and updating the NJC website ([www.njceci.org.uk](http://www.njceci.org.uk)).

## 2. SAFETY

The signatory parties reaffirm their commitment to work together at all levels to help maintain and further improve the exemplary safety record of the United Kingdom engineering construction industry.

The NJC Guide to Health, Safety and Welfare, published as a separate booklet, sets out detailed provisions on current industry good practice for employers, employees, trades unions and safety representatives, so that the highest standards of safety provision, communications and behaviour are achieved on all work carried out in scope to the NAECI.

## 3. PRODUCTIVITY, SKILLS AND CONTINUOUS IMPROVEMENT

The prospects for future United Kingdom industry investment and domestic employment depend on the ability of employers and employees to demonstrate world-class standards of contract performance and employment relations.

### 3.1 EFFICIENT USE OF WORKING HOURS

Employers and employees shall do everything necessary to achieve the most efficient use of all available working hours. For example:

- (a) Employees shall -
  - (i) Ensure they are present at the workplace, changed and ready to begin productive work by the designated starting time, and remain at the workplace until the designated finishing time.
  - (ii) Restrict authorised breaks to the stipulated periods.
  - (iii) Observe any other special requirements for the project or contract in question.
- (b) The employer shall -
  - Take all reasonable steps to provide an efficient site organisation and layout.

### 3.2 SKILLS

- (a) Fullest use of skills  
Employees shall:
  - (i) Perform any work safely within their level of competence as required by their employer.
  - (ii) Acquire additional skills as required by their employer to meet the needs of the job.
  - (iii) Assist with the training of others where they are competent to do so. Employees' competence is to be determined by management, taking into account all relevant information, including any representations made by a duly appointed statutory safety representative acting in accordance with his/her functions under the Health and Safety Work Act 1974 and associated regulations. Other sources of relevant information may include (but need not be limited to):

- Competence assessment (e.g. ACE);
- Apprenticeship details/indentures;
- Qualifications;
- Skills testing;
- Training (e.g. ECITB suite of services);
- Individual employee assessment; and/or
- Work experience

Shop Stewards and statutory Trades Union Site Safety Representatives can request details of the employers' competence assessment procedures.

A member of the PJC may raise concerns about assessment procedures at the PJC and the Joint Chairmen of the PJC may request the details of an Employer's assessment process.

Where one party expresses concern at the appropriateness of a competence assessment procedure, representation should be made to the PJC. If satisfactory resolution is not achieved the party may seek third party assistance by approaching the HSE.

(b) Cooperation

All employees shall cooperate with and assist management in obtaining information relevant to determining competence.

(c) ACE

Skilled employees (Grades 4, 5 and 6) shall also cooperate fully with the agreed system for Assuring Competence for Engineering Construction ('ACE') (see NAECI 5.4.5 for further details).

(d) Composition of work groups

The composition, structure and deployment of work groups will be determined by management.

(e) Commissioning work

When commissioning work begins staff employees, including supervisors and skilled engineers, shall use tools to make final adjustments or alterations to plant as necessary to prepare it for handover.

### **3.3 CONTINUOUS IMPROVEMENT**

Managers, trades unions and employees shall demonstrate active and effective support for company, project, site, and/or industry initiatives, developed in accordance with the NAECI, to improve productivity, competitiveness and employment relations.

### **3.4 INDIVIDUAL EMPLOYEE ASSESSMENT**

Individual employee assessment offers significant benefits for both employers and employees, providing opportunities for improved communication and joint discussion of any training needs, performance issues and career development opportunities. Employees shall cooperate with the implementation and operation of such arrangements as required by their employer.

## **4. DIRECT EMPLOYMENT**

The NAECI is founded on the principle of direct employment. The signatory parties affirm their commitment to this principle.

Accordingly, all individuals employed on work within scope of the NAECI by companies in membership of a signatory employer association shall be employed directly, in full compliance with NAECI terms and conditions.

*Note: Where individuals are subject to United Kingdom income tax and social security, 'direct employment' for these purposes means employment (on a contract of employment) to which PAYE income tax and Class 1 national insurance contributions are applicable. All forms of self employment are expressly prohibited.*

## **5. STARTING EMPLOYMENT**

### **5.1 RECRUITMENT**

When recruiting people or deploying existing employees, from whatever source, employers have the right to select whomsoever they consider to be the most suitable for the tasks in question.

### **5.2 TRADES UNION MEMBERSHIP**

The trades unions signatory to the NAECI are recognised to be the sole negotiating trades unions for employees covered by it. Employers will encourage all their employees covered by the NAECI to be members, in good standing, of a signatory trades union.

Trades union matters insofar as these relate to the NAECI are fully set out in Appendix C to this National Agreement.

### **5.3 ACCEPTANCE OF EMPLOYMENT**

Employment under the NAECI shall be conditional on the acceptance by employers and employees of all its provisions. The NAECI is to form an integral part of the written offer of employment, contract of employment and/or statutory statement of employment particulars issued to each individual employee by their employer.

## **5.4 INDUSTRY OCCUPATIONS, GRADES, APPRENTICES AND COMPETENCE ASSURANCE**

### **5.4.1 Occupations**

The main trade occupations covered by the NAECI on in-scope work (as defined in NAECI 1.3) include:

- (a) Erecting
- (b) Mechanical fitting
- (c) Pipefitting
- (d) Plating
- (e) Welding
- (f) Scaffolding
- (g) Thermal insulation (subject to the Understanding covering thermal insulation work - see NAECI 1.6.1)
- (h) Electrical/instrumentation (in Scotland, subject to the Agreement with SELECT - see NAECI 1.6.3).

## 5.4.2 Grades

(a) Skilled Working Chargehand (Grade 6)

Will be selected from Advanced Craft employees (Grade 5) and required, in addition to the work of that grade, to undertake supervisory duties for the employer.

(b) Advanced Craft (Grade 5)

Employees will be designated as Advanced Craft grade if:

- (i) They have undergone a form of training and have achieved a level of competence recognised by the NJC and have been awarded a VQ Level 3.

Examples include:

- ECITB Apprenticeships
- ECITB NSDS (not available after 31 December 2008)
- ECITB Technical Training
- Other schemes agreed and provided by the appropriate industry lead training body (e.g. CITB-Construction Skills for scaffolders, NET for electricians and TICA for thermal insulation engineers).

OR

- (ii) They have a VQ Level 3 which is recognised by the NJC and awarded through ACE (see NAECI 5.4.5 below) or by a similar arrangement provided by another industry lead training body, approved by the ACE Industry Steering Group.

OR

- (iii) They can demonstrate that they have worked as an Advanced Craft employee (Grade 5) in the engineering construction industry prior to 1 June 1997.

AND

They have completed 2 or more years in the engineering construction industry in the Craft grade (Grade 4) and agree to comply fully with the requirements of NAECI 3.2(a) to (c).

(c) Craft (Grade 4)

Employees will only be designated as Craft grade if they possess the level of competence required and the mandatory trade specific units of competence for working in the engineering construction industry under ECITB Technical Training. Achievement of this level of competence will have enabled individuals to qualify for assessment for a VQ Level 3.

(d) Operatives (Grades 1, 2 or 3)

When Operatives are employed who are new to the Industry, they will be classified as Grade 1 and will serve a probationary period of 3 months.

Experienced operatives may be engaged by an employer and classified as Grade 2 or 3 depending on the nature of the work being undertaken. When required by their employer they will apply all the skills in which they are competent to the required standards as defined by ECITB Technical Training. Competent Operatives may also be engaged in work that involves “company specific” skills. Such “company specific” skills will be limited to those previously undertaken by semi-skilled workers (e.g. fork-lift truck driving, storekeeping, etc).

If and where appropriate, any Operative may be registered on an ECITB Technical Training course, although the work that they are engaged to do may provide no opportunity for training or assessment.

(e) Trainees (Grades 1, 2 or 3)

(i) Recruitment of trainees

Trainees would normally be registered with the ECITB under a Technical Training scheme and engaged for work which provides for on or off-the-job training leading to assessment in accordance with the provisions of the scheme.

They will serve a probationary period of 6 months. Employment as a trainee may include extended periods of work experience. On recruitment, trainees new to the industry will be employed in Grade 1. Trainees will have the opportunity to progress through Grades 1, 2 and 3 to Craft (Grade 4) and ultimately Advanced Craft (Grade 5) status under a technical training scheme and the award of the relevant VQ qualification.

Periods of employment as a graded operative will not affect an individual's long term status when registered under an ECITB Technical Training scheme. The individual may move onto other jobs as a trainee when the next opportunity presents itself.

(ii) Grade 1 Trainees promotion to Grade 2

Grade 1 trainees who have completed at least 2 weeks off-the-job technical training, but who are new to the industry and lack relevant work experience, must complete a further 8 weeks on-the-job experience and demonstrate acceptable work related competence before being considered for upgrade to Grade 2.

Grade 1 trainees may also achieve Grade 2 status by completing 10 weeks on-the-job training and work experience and demonstrating acceptable work related competence.

Mature Grade 1 Trainees having gained relevant work experience may be assessed and upgraded at any time, provided they are able to demonstrate competence to the employer's satisfaction.

(iii) Grade 2 Trainees promotion to Grade 3

Grade 2 trainees who complete ECITB Technical Training and who are subsequently assessed and qualify for a VQ Level 2 will be eligible for promotion to Grade 3.

Grade 2 trainees will be expected to undertake training in trade specific units of competence where this proves necessary to meet site requirements.

(iv) Grade 3 trainees promotion to Grade 4 (Craft)

Grade 3 trainees are required to progressively achieve trade specific units of competence in a selected discipline in accordance with ECITB Technical Training, as part of a programme working towards achievement of VQ Level 3. In addition, employers may require Grade 3 trainees to undertake training in optional as well as mandatory trade specific units of competence.

(v) Grade 4 (Craft) promotion to Grade 5 (Advanced Craft)

Advancement to Grade 5 (Advanced Craft) is defined in NAECI 5.4.2(b) above.

(f) Treatment of non-UK training, qualifications and/or experience

Employees with non-UK training, qualifications and/or experience shall be assigned to the most appropriate of Grades 1-6, taking into account all relevant sources of information about the individual concerned (see, for example, the sources listed in

NAECI 3.2(a)), and applying the principle of substantial equivalence to the criteria set out in (a)-(e) above.

*Note: The ECIA/NARIC Database of Overseas Engineering Construction Qualifications analyses the contents of various EU and non-EU industry qualifications and compares these with the main UK industry occupational standards administered by the ECITB. It is available to member and non-member organisations on a subscription basis. Further details may be obtained by contacting the ECIA.*

### 5.4.3 Scaffolders Working in the Engineering Construction Industry

CITB-Construction Skills is the industry lead body for training scaffolders. Accordingly the NJC has determined that CITB trained scaffolders will be assimilated within the NAECI grading system in the following manner:

NAECI Grade	NAECI Designation	Qualifications Required
1	Trainee/Operative	New entrant
2	Trainee/Operative	Upon successful completion of CITB training Part 1
3	Trainee/Operative	Upon successful completion of CITB training Part 2
4	Craft	1 years experience in NAECI Grade 3
5	Advanced Craft	a) Successful completion of CITB Advanced Scaffolder training b) 2 years experience in NAECI Grade 4 c) Acceptance of the obligations set out in NAECI 3.2(a) to (c)

### 5.4.4 Apprentices

(a) Directly employed apprentices

NAECI Appendices A.2(b) and A.8(b) set out rates of pay and incentive bonus arrangements applicable to apprentices directly employed by contractors on in-scope work under either of the following schemes:

- (i) ECITB Apprenticeship Scheme.
- (ii) 'Non-ECITB' apprenticeships (i.e. apprentices trained under bona fide company training schemes to ECITB Apprenticeship Scheme standards).

(b) Electrical and thermal insulation apprentices

Apprentices employed by electrical and thermal insulation contractors are covered by their own industry agreements, except that incentive bonus arrangements may comply with those of non-ECITB apprentices directly employed under the NAECI (see NAECI Appendices A.2(c)(vi) and A.8(c)(vii)).



## 5.4.5 Competence Assurance (ACE)

(a) ACE

All signatory parties to the NAECI agree to support and implement the agreed system for Assuring Competence in Engineering Construction ('ACE').

ACE incorporates a nationally assessed standard of competence to VQ Level 3 by which the skills of individual employees are assessed and validated.

(b) Skilled employees and ACE

Skilled employees (Grades 4, 5 and 6) will provide evidence of their competence to undertake their core skills in accordance with the requirements of ACE.

The costs of this process will not fall on employees and the process itself will not be a threat to the status or employment of any individual.

Any matters arising should be dealt with through the grievance/disputes provisions of the NAECI (NAECI 14).

(c) Industry Steering Group

The general development of ACE will be subject to regular review by the ACE Industry Steering Group, on behalf of the NJC.

## 5.5 TRAVELLING EMPLOYEES

Any requirement to live and work away from home shall be clearly set out, and accurately defined, in the written offer of employment, contract of employment and/or statutory statement of employment particulars issued by the employer to the individual.

## 5.6 TRANSPORT EXPENSES AND TRAVELLING TIME PAYMENT

On starting employment on 'away contracts' employees qualifying for accommodation allowance under NAECI 9.2 shall be entitled to transport expenses and travelling time payment calculated in accordance with NAECI 9.4.

## 5.7 PROBATIONARY PERIOD

(a) Notice of termination of employment

The first 4 weeks of continuous employment shall be regarded as a probationary period and during this time notice required to be given by either the employee or the employer to terminate employment shall be 2 hours.

(b) Grade 1 operatives and trainees

In the case of Grade 1 operatives and trainees, the probationary period is extended to 3 months and 6 months respectively.

(c) Disciplinary procedure during the probationary period

During the probationary period the requirement in NAECI 15.6.2 to give formal warnings before proceeding to dismissal does not apply, but the employee shall first be invited to attend a disciplinary meeting in accordance with NAECI 15.6.1 before any final decision to dismiss is taken. The employee shall receive written reasons for a decision to dismiss him/her following the meeting.

Any domestic right of appeal against dismissal during the probationary period shall be defined in the employer's formal, written disciplinary procedure, in accordance with NAECI 15.1 (see also NAECI 15.8.1(c)).

## **6. PAY**

### **6.1 PAYMENT OF WAGES**

Wages may be paid weekly, fortnightly, 4 weekly or monthly, by cheque or electronic transfer, in accordance with company policy.

### **6.2 WAGE RATES**

Employees shall receive the applicable base, shift and/or overtime rates set out in the National Guaranteed provisions in NAECI Appendix A.2, except where they are employed on Categorised Work (see NAECI 18), in which case the provisions of NAECI Appendix A.8 shall apply.

The rates detailed in NAECI Appendices A.2 and A.8 cover all working conditions encountered in the industry and are set at a level for which full cooperation and productivity are required.

### **6.3 INCENTIVE BONUS ARRANGEMENTS**

Employers may introduce incentive bonus arrangements to reward and encourage improvements in working practices and/or the achievement of specific targets or objectives.

Where National Guaranteed wage rates apply, the performance indicators, payment intervals and other conditions of an employer's incentive bonus arrangement shall be for local determination, subject to agreement with the local signatory trade unions and the upper payment limits set out in NAECI Appendix A.2(c).

The conditions and upper payment limits applicable to incentive bonus arrangements on Categorised Work are set out in NAECI 19 and Appendix A.8(c).

### **6.4 PROFICIENCY PAY FOR WELDING**

(a) Uncoded welding

Skilled employees (Grades 4, 5 and 6) employed for manual and semi-automatic welding of non-pressure parts, e.g. casing, structural welding and stud welding, within the appropriate design and safety standards shall not be entitled to proficiency payments.

(b) Coded welding

Skilled employees required to qualify by test to BSEN 287/ASME IX are entitled to one, but no more than one, of the proficiency payments listed in NAECI Appendix A.3.

Skilled employees will remain so entitled, while remaining qualified to the relevant level of proficiency, throughout their employment with their current employer on the project or site for which they were tested, irrespective of the type of work they are actually required to undertake.

Skilled employees may be required by their employer to re-qualify by test from time to time as appropriate.

(c) Welding skills test

Where a company invites a prospective employee to attend a welding skills test, it should indicate, so far as is reasonably practicable at the time, the likely start-date

of the employment to which the test relates. This information should normally be given at the time the company issues the invitation.

The company should make clear that it is supplying a start date for information purposes only, with no contractual commitment.

An individual who has been invited to a welding skills test and who duly: completes the test successfully; accepts the first offer of employment from that employer; commences employment as instructed; and completes the first week of employment, will be entitled to be paid 8 hours at basic rate only (as payment for the time taken for the welding test), when the first week's wages are paid.

(d) Agreed travel expenses

Where a prospective employee attends a welding skills test at a company's invitation the company should reimburse him/her for such reasonable travel expenses as have been agreed in advance and demonstrably incurred in travelling to and from the test venue.

Where the prospective employee's claim includes travel by public transport or taxi, the company should require him/her to produce tickets and/or receipts.

(e) Shift and overtime rates

Proficiency payments in categories B, C, D and E of NAECI Appendix A.3 are not cumulative and shall not be used for the calculation of shift and overtime rates.

## 7. WORKING HOURS

### 7.1 BASIC WORKING WEEK

(a) The basic working week shall consist of 38 normal working hours.

(b) Unless (c) below applies, the basic working week shall be worked over 5 normal working days, Monday to Friday. Wherever this standard Monday to Friday week is worked, normal working hours on Monday to Thursday shall be 8 hours. On Friday, 6 hours will be worked in addition to which there will be one break to be taken in the middle of normal working hours or earlier. This break will be of 30 minutes duration and is unpaid.

(c) Alternatively, the basic working week may be worked over any 4 or 5 consecutive normal working days. Wherever the basic working week includes a Saturday and/or Sunday, the normal hours worked on those days and any overtime hours shall be paid for as follows:

(i) Normal hours worked on Saturday

Payment of Overtime Rate A shall be made for normal hours worked on Saturday before noon up to a maximum of 4. Any normal hours in excess of 4 worked before or after noon on Saturday shall be paid at Overtime Rate B.

(ii) Normal hours worked on Sunday

All normal hours worked on Sunday shall be paid at Overtime Rate B.

(iii) Overtime worked on Saturday and Sunday

All overtime worked on Saturday or on Sunday up to midnight shall be paid at Overtime Rate B.

(iv) Overtime worked on days other than Saturday or Sunday

Overtime worked on any day other than Saturday or Sunday shall be paid in accordance with the weekday overtime provisions under NAECI 7.4(e). For

example, if a 5-day basic week is worked Wednesday to Sunday, and the following Monday or Tuesday are worked as overtime, Overtime Rate A will apply to the Monday or Tuesday in accordance with NAECI 7.4(e)(i).

(v) **Shift payments**

Shift payments set out in NAECI Appendices A.2 and A.8 include the payment for a Saturday and/or Sunday when they are part of the normal shift pattern. The appropriate overtime rates apply only when overtime is worked before or after normal shift hours.

- (d) Arrangements to average the basic working week of 38 hours over a longer reference period may be established locally by the employer and agreed in consultation with the signatory trades unions.
- (e) Employment on a part-time basis (i.e. a basic working week of less than 38 hours) is permissible, provided this arrangement is mutually agreed between the employer and the individual employee concerned.
- (f) Other proposed variations to the basic working week shall be submitted for approval to the NJC.

## **7.2 DAY WORK**

- (a) Subject to (b) below, on day work the normal starting time will be no earlier than 7.00am and the normal finishing time no later than 6.00pm.
- (b) Arrangements for a normal starting time on day work that is earlier than 7.00am (but no earlier than 6.00am) may be established locally by the employer and agreed in consultation with the signatory trades unions.

## **7.3 SHIFT WORKING**

### **7.3.1 Introduction of shift working**

It is an obligation of employment under the NAECI to undertake shift working as required by management to meet the needs of the job.

### **7.3.2 Shift systems**

The following shift systems and the detailed provisions governing each of them have been approved by the NJC:

- (a) **Night shift/working**
  - (i) The night working week shall consist of 38 normal hours worked over 4 or 5 consecutive nights. The normal starting time will be no earlier than 8.00pm and the normal finishing time no later than 8.00am. The hours which constitute the 38 normal hours of the week are to be identified. The precise arrangements including the time of the unpaid meal break will be determined locally, but no night will be of less than 6 hours.
  - (ii) The night shift rate is set out in NAECI Appendix A for all normal hours including normal hours scheduled on Saturdays and Sundays.
  - (iii) Overtime hours worked before or after the full normal night has been worked will be paid at Overtime Rate A, except on Saturday and Sunday when NAECI 7.4(f) shall apply. Where a Sunday night overtime shift is a regular feature of the work pattern, Overtime Rate A shall be paid from midnight until the end of the shift. Where, however, intermittent overtime on a Sunday or public holiday

night has simply overlapped into the next morning, Overtime Rate B should continue to be paid until the task is completed.

- (iv) Day work employees who work during the day beyond the midday meal break and who undertake night work the same night shall be paid overtime Rate A up to midnight. From midnight until the end of the shift employees shall be paid Overtime Rate B.
  - (v) Night working employees who are required to change over to day work shall normally be warned at least 24 hours in advance of the necessity for such a change and shall take a minimum break of 8 hours before starting on day work. Any loss, up to a maximum of 8 normal dayshift hours, which results from the observance of this rule, shall be compensated for by payment for the lost hours at the basic rate. If the last period of night work of an employee transferring to day work ends at or after 7.00am, they shall not be required to commence their first period of day work on that day.
- (b) Afternoon shift
- (i) 38 hours shall normally be worked over 5 afternoons from Monday to Friday. Alternatively, the afternoon shift may be worked over any 4 or 5 consecutive afternoons in the week.
  - (ii) The normal starting time shall not be earlier than 12.00 noon and the normal finishing time not later than 11.00pm. The precise arrangements including the time of the unpaid meal break will be determined locally, but no afternoon shift shall be of less than 6 hours.
  - (iii) The shift rate is set out in NAECI Appendix A.
- (c) Double day shift
- (i) The shift week shall consist of 38 hours normally worked over 5 days Monday to Friday by 2 separate shifts, one working morning shift and the other afternoon shift and the 2 shifts shall rotate, either on a 1, 2 or 4 week cycle. Alternatively, each such shift may be worked over any 4 or 5 consecutive days in the week.
  - (ii) Each shift shall have an unpaid half hour meal break. Employees shall be entitled to a paid 10 minutes refreshment break except on Fridays or such day determined locally (NAECI 7.5(b) refers). The precise arrangements will be determined locally, but any variation to the above is subject to prior approval by the NJC.
  - (iii) Under these arrangements the double day shift rate for normal hours is as set out in NAECI Appendix A.
  - (iv) Where shift workers are required to work overtime beyond the normal shift finishing time they shall receive Overtime Rate A for the first 7.5 hours or part thereof.
  - (v) If they are required to work further time beyond the first 7.5 hours of overtime they shall receive Overtime Rate B for up to a maximum of an additional 7 hours. If, however, the task is completed part way through this 7 hour period, they shall be allowed to cease work but shall receive a payment at Overtime Rate A from the time they complete the task up to the balance of the 7 hours.
  - (vi) Employees who are required to work the additional 7 hours overtime as in (v) above will not be required to work the following shift and will receive Overtime Rate A for the normal shift hours for that day (provided it is a normal work day).
  - (vii) Saturday and Sunday overtime hours shall be paid in accordance with NAECI 7.4(f).

(d) 3 shift working - 5 days

- (i) 38 hours per week shall be worked by 3 separate work crews such that the contract is manned 24 hours per day from Monday to Saturday morning. The 3 shifts shall rotate. Each shift shall have an unpaid half hour meal break. Employees shall be entitled to take a paid 10 minute refreshment break except Fridays or such other day determined locally (NAECI 7.5(b) refers). The precise arrangements will be determined locally.
- (ii) The shift rate for all 3 shifts is set out in NAECI Appendix A.

(e) 3 shift working - 7 days

- (i) 38 hours per week shall be worked by 4 or more separate work crews such that the contract is continuously manned 24 hours per day and 7 days a week. The shifts shall rotate with rest days in between. Each shift shall have an unpaid half hour meal break. Employees shall be entitled to take a paid 10 minute refreshment break except on Fridays or such other day determined locally (NAECI 7.5(b) refers). The choice of day and the precise arrangements will be determined locally.
- (ii) Employees will become eligible for overtime rates when they have completed their scheduled normal working hours in the shift pattern. Attendance at all designated shifts is required, regardless of whether they fall on the weekend or during the basic working week, before the appropriate overtime rates in NAECI Appendix A become payable for overtime worked during the basic working week.
- (iii) The shift rate for all 3 shifts is set out in NAECI Appendix A.

(f) Rolling day shifts

The provisions which follow are intended to apply to rolling day shift patterns which provide working cover for all 7 days of the calendar week.

- (i) The scheduled normal working hours shall be 38 per calendar week, averaged over the full shift cycle.
- (ii) Unless the NJC agrees otherwise, the scheduled working days shall be of equal duration.
- (iii) The shift rate for the scheduled shift hours is set out in NAECI Appendix A. To qualify for this rate in each pay week employees are required to complete their scheduled working days without unauthorised absence.
- (iv) The overtime rates in NAECI 7.4(e) and (f) and Appendix A for weekday and weekend overtime apply to overtime hours worked in excess of the scheduled working day.
- (v) Employees will become eligible for overtime rates when they have completed the scheduled normal working hours in the shift pattern. Attendance at all designated shifts is required, regardless of whether they fall on the weekend or during the basic working week, before the appropriate overtime rates in NAECI Appendix A become payable for overtime worked during the basic working week.
- (vi) Public holidays will be paid in accordance with NAECI 10.3 on the pay day applicable to the week in which the holiday occurs. Public holidays which occur on a scheduled rolling shift working day shall be worked and payment for the holiday shall be made in addition to payment at Overtime Rate B for hours worked.
- (vii) Payment for each of the 25 days of annual holiday shall be in accordance with NAECI 10.3.

- (viii) There shall be a daily unpaid meal break of 30 minutes duration which shall not be included in the normal working hours. There shall be one paid refreshment break of 10 minutes duration. Timings and facilities for the meal and refreshment breaks are at the discretion of the employer after consultation with the local full time officers of the signatory trades unions.
  - (ix) In accordance with the provisions of NAECI 8.1 an employee will be guaranteed payment at basic rate for shift hours which would normally have been worked in accordance with this shift schedule during the calendar week.
  - (x) Accommodation allowance shall be paid on a 7 day basis except in the case of a broken week. An employee who is absent or unavailable for work during working hours on a scheduled working day without good cause or without permission, shall forfeit the accommodation allowance payable for that day. If such absence occurs on either the first day or the last day of the shift cycle, the accommodation allowance applicable to the rest days will be forfeited unless they are worked.
  - (xi) The shift patterns will not affect entitlement to redundancy payments under NAECI 16.5 since these are related to weeks of service.
  - (xii) For the purposes of NAECI 16.2 a 'week of notice' shall be interpreted as 7 consecutive days, provided that it includes at least 38 scheduled working hours. However, notice given by either party shall not have to conform to the traditional Friday to Friday pattern.
- (g) Rolling night shifts
- The shift rate for rolling shifts which precisely follow the patterns of (f) above (rolling day shifts) shall be paid in accordance with the rolling night shift rate in NAECI Appendix A.
- (h) The 9-day fortnight
- (i) The basic working week of 38 hours shall be distributed over 9 working days.
  - (ii) In week 1, the basic working week shall normally be worked Monday to Friday. In week 2, the basic working week shall normally be worked Monday to Thursday. Subject to NAECI 7.2(b), the normal starting time will be no earlier than 7.00am and the finishing time no later than 6.00pm. With the exception of Fridays in week 1 and Thursdays in week 2 when the minimum will be 6 hours, each working day must be of at least 9 hours duration, unless prior NJC approval to the contrary has been obtained.
  - (iii) Variation of the basic working week and the normal working hours may be determined locally by the parties, but any variation to the above is subject to prior approval by the NJC.
  - (iv) The meal break of 30 minutes duration on each day is unpaid and is not included in the normal working hours. Timings and facilities for the meal break are for local agreement.
  - (v) Employees shall be entitled to take a paid 10 minutes refreshment break during the morning, except on Fridays in week 1 and Thursdays in week 2. Employers have the flexibility to plan the most appropriate method and timing of the break (NAECI 7.5(b) refers).
  - (vi) The overtime rate specified within NAECI Appendix A for weekday and weekend overtime applies to overtime hours worked in excess of the scheduled working day, within the provisions of NAECI 7.4(e) and (f).
  - (vii) Each of the 8 public holidays will be paid in accordance with NAECI 10.3.

- (viii) All employees who have been continuously employed for not less than 4 weeks shall be guaranteed employment for the scheduled basic hours of work for weeks 1 and 2 respectively.
- (ix) In the event of work not being available for all or part of the scheduled week, employees covered by the guarantee will be assured earnings equivalent to their basic rate for the scheduled basic hours of work in weeks 1 and 2 respectively.
- (x) The conditions of the guarantee are in accordance with NAECI 8.1 except that, in the case of NAECI 8.1(c)(iii), the proportionate reduction in the period of guarantee as a result of a holiday will be equivalent to the scheduled basic hours for that day under the 2 week work cycle.

### **7.3.3 Other Shift Systems and Working Patterns**

In addition to the above, other shift systems and working patterns may be developed locally, through consultation between the parties. These proposals will then be submitted to the NJC for review and determination of the payments.

### **7.3.4 Shift payments**

National Guaranteed shift payments are as set out in NAECI Appendix A.2. The rates payable on Categorised Work are set out in NAECI Appendix A.8.

## **7.4 OVERTIME**

### **(a) Obligation to work overtime**

It is an obligation of employment under the NAECI to work overtime as required by management to meet the needs of the job. No consideration will be given to practices such as 'one in all in'.

Opportunities to work overtime may be withdrawn by the employer in the event of unprocedural action, any other unauthorised stoppage of work or unauthorised absence.

### **(b) Regular overtime**

Where the programme of work requires regular overtime, employers will consult with the signatory trades unions.

### **(c) Intermittent/emergency overtime**

Intermittent or emergency overtime shall be arranged between management and their employees.

### **(d) Overtime payments - general principles**

The provisions of NAECI 7.4(d)(i), and 7.4(e) – 7.4(i) below shall be applied subject to NAECI 7.4(j).

- (i) Overtime is normally calculated on a daily basis. Employees shall be required to work the full normal hours of the day before overtime is reckoned.
- (ii) Where any of the following occurs during normal working hours, the time involved shall be treated as worked hours for the purposes of qualifying for overtime payments under (i) above:
  - The employee is absent with the employer's permission;
  - The employee is absent through certified sickness; or



- The employee is on authorised travelling time (e.g. on the day following periodic leave).

(iii) All overtime payments shall be made in accordance with the National Guaranteed provisions in NAECI Appendix A.2, or (in the case of Categorised Work) NAECI Appendix A.8.

(e) Overtime on weekdays

(i) Overtime worked before or after normal working hours on weekdays (Monday to Friday) shall be paid at Overtime Rate A.

(ii) Overtime worked after midnight shall be paid at Overtime Rate B until the task is complete. If this is before 7.00am, Overtime Rate A shall be paid from the time of completion of the task until 7.00am.

(iii) Payment for work done on public holidays is covered by the provisions of NAECI 10.10.

(f) Overtime on weekends

(i) Overtime Rate A shall be paid for overtime hours worked on Saturdays before noon up to a maximum of 4 hours.

(ii) Any overtime hours in excess of 4 hours before noon on Saturday and all overtime hours worked from noon on Saturday until midnight on Sunday shall be paid at Overtime Rate B.

(g) Working beyond midnight

An employee required to continue overtime working beyond midnight shall take a minimum break of 8 hours before starting the next day's work. Any loss, up to a maximum of 8, of normal dayshift hours which results from the observance of this rule shall be compensated for by payment for the lost hours at the basic rate. If the overtime task continues up to or beyond 7.00am or it is not possible for the employee to leave the site before that time (for example, because of lack of transport) the employee shall not be required to recommence work on that day.

(h) Returning to work/call out

(i) An employee required to return to work after normal working hours shall be paid at Overtime Rate A from the time of resuming work until midnight and thereafter in accordance with e(ii) and (g) above.

(ii) An employee summoned back to site from home after normal working hours, without previous warning, shall be guaranteed 3 hours pay at the appropriate overtime rate(s) under (e) or (f) above applicable to the 3 hours commencing at the time the employee re-starts work.

(i) Meal break overtime

An employee who works during the recognised meal break will receive the appropriate overtime rate under (e) or (f) above and incentive bonus payment for that period. An alternative meal break (for which no payment will be made) will be allowed.

(j) Overtime calculated weekly

(i) Overtime calculated weekly may be established by the employer, subject to agreement with the local signatory trades unions.

(ii) In the above circumstances, provided that 38 basic hours have been worked in any one normal working week (Monday to Friday only) additional time worked on a weekday in that week will be paid in accordance with NAECI 7.4(e) and overtime worked at weekends will be paid in accordance with NAECI 7.4(f).

(k) Local standby arrangements

Where an employer is obliged to provide a client with a standby service, it will be a requirement on all employees identified by management on that contract to undertake standby duties.

Employees on standby must hold themselves ready and capable of responding to a call-out instruction. Details of such standby arrangements, together with any associated standby payment, shall be established locally by the employer and agreed in consultation with the signatory trades unions. Arrangements in the event of a call out shall be in accordance with NAECI 7.4(h) above.

## 7.5 MEAL BREAK AND REFRESHMENTS

(a) Meal break

The meal break of a minimum of 30 minutes duration is unpaid and is not included in the normal working hours. Timing and facilities for the meal break are for local agreement.

(b) Refreshments

Employees shall be entitled to take a paid 10 minute refreshment break during the morning or the first half of a shift, except on Fridays or such other day determined locally in accordance with NAECI 7.1(c) above.

Employers shall have the flexibility to plan the most appropriate method and timing of the break, depending on the nature of the work so as to cause the minimum disruption to productive performance including:

- (i) Refreshments may be taken at a convenient time during natural breaks in the work, or
- (ii) The day/shift may be divided into 3 work periods, or
- (iii) During Events, following consultation and the agreement of the parties.

The NJC encourages and supports local agreements which provide for the flexible timing of refreshment breaks or which schedule them at the commencement of the day or shift.

(c) Refreshments during overtime

Where overtime of 2 hours or more increases the length of any working day to 10 hours or more (or to 8 hours or more when the normal length of the working day is 6 hours) employees shall be permitted an additional opportunity to take a paid 10 minute refreshment break organised to cause the minimum disruption to productive work.

## 7.6 WORKING TIME REGULATIONS

(a) Average weekly working time

(i) Reference periods

For the purposes of the Working Time Regulations 1998 (as amended), reference periods for the calculation of average weekly working time for each employee under the NAECI are successive periods of 52 weeks.

(ii) Working more than 48 hours

Individual employees may agree in writing to work more than the 48-hour average weekly limit provided for under the Regulations, in accordance with the model individual opt out provisions which are set out on the NJC website ([www.njceci.org.uk](http://www.njceci.org.uk)).

- (b) Night working
  - (i) Hours of work

There are no limits under the NAECI on a night working employee's hours of work in any reference period (see (ii) below) for each 24 hours.
  - (ii) Reference periods

The reference periods which apply under the NAECI are successive periods of 52 weeks.
  - (iii) Health assessments

All night working employees will be offered free health assessments prior to commencing night working and annually thereafter. Under the NAECI the health assessment will initially take the form of a questionnaire. A model health screening form for night workers is set out on the NJC website ([www.njceci.org.uk](http://www.njceci.org.uk)), for guidance purposes only.
- (c) Exclusions

The following provisions of the Regulations are excluded under the NAECI:

  - (i) Daily rest (WTR 1998: R10(1)).
  - (ii) Weekly rest periods (WTR 1998: R11(1) & R11(2)).
  - (iii) Rest breaks (WTR 1998: R12(1)).

## 8. PRESERVATION OF EARNINGS

### 8.1 GUARANTEE PROVISIONS

- (a) Guarantee of employment and assured earnings

Subject to (b)-(e) below:

  - (i) Employees who have been continuously employed for not less than 4 weeks shall be guaranteed employment for 38 hours in each pay week.
  - (ii) In the event of work not being available for the whole or part of the pay week employees covered by the guarantee will be assured earnings equivalent to their basic hourly rate for 38 hours. Overtime premiums earned during the pay week in question shall not form part of the assured earnings.
- (b) Conditions of the guarantee

The guarantee provisions are subject to the following conditions:

  - (i) That employees are capable of, available for and willing to perform satisfactorily, during the period of the guarantee, the work associated with their usual occupation or reasonable alternative work where their usual work is not available; and
  - (ii) That notice of termination of employment has not been given.
- (c) Reduction of the guarantee

The period of the guarantee shall be reduced proportionately:

  - (i) In the case of part-time employment arranged in accordance with NAECI 7.1(e);
  - (ii) Where agreed short time is worked as an alternative to redundancy; or
  - (iii) In the case of annual or public holiday.

(d) Averaging of the guarantee

Where NAECI 7.1(d) applies, the guarantee of employment shall be averaged over the agreed reference period. Entitlement to assured earnings in a particular week shall be as determined by the agreement made between the parties under NAECI 7.1(d).

(e) Suspension of the guarantee

(i) Site disputes

In the event of dislocation of production as a result of any dispute on the site the operation of the guarantee will be automatically suspended.

(ii) External industrial disputes

Where external industrial disputes affect work on site to a substantial degree and an employee has been paid in accordance with the provisions of the guarantee of employment for one whole week, then the guarantee may be suspended and the employee required to sign on for unemployment benefit, provided that the employer has notified the NJC of the difficulty and obtained its approval.

## **8.2 RATES OF PAY DURING TRAINING AND DEVELOPMENT**

(a) Prior to employment at the workplace

Employees shall receive basic rate only during training (including induction training) prior to employment at the workplace.

(b) Remedial training

Employees shall receive basic rate only during training away from the workplace for remedial purposes.

(c) Training/development where full incentive bonus payable

There shall be no loss of incentive bonus earnings that would otherwise be payable where:

(i) Grade 1, 2 and 3 trainees are away from the workplace undergoing off-the-job training;

(ii) Skilled employees (Grades 4, 5 and 6) are undergoing training to acquire additional units of competence using ECITB Technical Training; and

(iii) Employees (all grades) are participating in an assessment under NAECI 3.4.

## **8.3 RATES OF PAY DURING INCLEMENT WEATHER, EMERGENCIES AND TRIAL EVACUATIONS**

Employees will not be expected to continue working in the open in sustained severe inclement weather, but the employer will decide when weather conditions justify the cessation or resumption of work and if some or all employees will work at a particular time. Where work has to continue in adverse weather conditions for any reason, including those below, the employer shall provide weatherproof clothing as necessary. Where relevant, such clothing will be provided by the employer in accordance with conclusions drawn during any assessment under the Personal Protective Equipment at Work Regulations.

Detailed arrangements covering the tasks to be continued in adverse weather, alternative work, temporary shelters, taking cover, cabining up, early cessation of work, site emergencies, trial evacuations and related matters may be established at local level, taking into account the relevant NAECI provisions.

(a) Payment during inclement weather

Employees who have been returned to temporary shelters or cabins will be paid at the appropriate basic, overtime or shift rate, plus any proficiency payments in accordance with NAECI 6.4, for time thus spent, provided that they remain available for work throughout the prescribed working hours. No other payments will be made for such periods.

An employee who fails to remain available for work during scheduled working hours shall not be entitled to payment in accordance with this clause for any such scheduled hours except for those hours for which they have actually held themselves available for work.

(b) Tasks in adverse weather

Tasks to be continued in adverse weather include:

- Off-loading materials;
- Supplying materials and services to men working under cover;
- Proceeding to alternative work including under cover work;
- Working under permanent or temporary cover;
- Placing temporary covers over work so that it may be continued when directed;
- Dealing with emergencies;
- Operations in connection with safety

(c) Alternative work

When, because of severe inclement weather, work is temporarily unavailable for an employee in their own occupation they must accept any alternative work of which they are capable. Employees for whom work cannot be found will not interfere with those employees who are at work.

(d) Temporary shelters

Any place provided for carrying out work or taking shelter during periods of intermittent inclement weather, such as temporary fabrication shops, elephant shelters and other temporary covered areas on the job site, may be used as temporary shelter as directed by the employer, but such places will not be provided with heating or seating. Mess huts, canteens, changing rooms and other forms of permanent site establishment are not to be considered as places of temporary shelter.

(e) Taking cover

At the onset of inclement weather, employees will take cover in temporary shelters as defined in (d) above under the supervision of their foremen or immediate supervisors. The foreman or supervisor will be responsible for deciding when work is to continue, be interrupted or resumed and whether some or all of the workforce shall be allowed to cease work and take cover at a particular time. Employees sent to shelter will have a particular responsibility to resume work as soon as weather conditions permit or when instructed by management.

(f) Cabining up

If it is apparent that the inclement weather is likely to persist employees may be required to take shelter in more permanent shelters such as cabins. On Major Projects, and Long Term Repair and Maintenance and Events, the SPA and/or the Supplementary Agreement may further define procedures with regard to such cabining up of employees.

- (g) Early cessation of work during scheduled and normal working hours

In exceptional circumstances of sustained severe inclement weather the employer may decide to cease work and send home early those employees who cannot be deployed to alternative work. The NJC recommends that normally the Employer should not send employees home until after the mid-shift break. Employees sent home early are to be paid the appropriate basic/shift rate for the remaining scheduled hours of the day/shift.

- (h) Early cessation on other days

If the circumstances described in NAECI 8.3(g) above arise on a day other than a scheduled normal working day the provision of that clause will be applicable, the payment provisions being limited to the agreed defined overtime hours scheduled for that day up to a maximum of 8 hours. Men sent home, when the employer has decided that work is not possible during the overtime as arranged, will therefore receive payment at the basic rate for the balance of the overtime hours scheduled for that day, subject to the above limitation.

- (i) Site emergencies

The payment provisions of NAECI 8.3(a) shall also apply when employees are cabined up and/or sent home early because of site emergencies e.g. fire, gas escape or bomb scare.

- (j) Trial evacuations

Employees prevented from working as a result of a trial evacuation required by a client shall receive any applicable incentive bonus payment.

## **9. TRAVEL AND ACCOMMODATION**

### **9.1 RADIUS ALLOWANCE**

- (a) Eligibility

Radius allowance shall be paid to any employee who travels daily between his/her home and a site over 8 miles away. This allowance is for travelling time and fares and will, therefore, only be paid in respect of full days worked.

Radius allowance is not payable to employees in receipt of accommodation allowance, but where accommodation is not available within 10 miles of a site a sufficient extra payment shall be made to cover the additional travelling costs beyond 10 miles radius. Alternatively, employers may provide free transport to the site.

- (b) Scale 1 and Scale 2

Radius allowance Scale 1 applies to employees travelling to work by their own means. Scale 2 is payable in respect of distances for which suitable free transport is provided at the discretion of the employer. The scales are shown in NAECI Appendix A.4.

- (c) Employees' responsibility

It is the responsibility of each individual employee to get him/herself to work.

- (d) Measurement of Radius Allowance

Distances for whichever scale is applicable between home and site shall be measured by the fastest route option on the electronic RAC Route Planner (or equivalent program that may be subsequently deemed appropriate by the NJC).

(e) Penalty for Absenteeism

An employee who is unavailable for work during working hours or arrives late or leaves the site early at any time without good cause or without permission shall forfeit the radius allowance to which he/she would otherwise be entitled for the day or days concerned.

(f) Taxation Treatment

- (i) Scale 1 radius allowance, payable to employees travelling to work by their own means, is made up of 2 elements namely:
  - (a) An allowance towards the cost of travelling daily to and from site;
  - (b) An allowance in respect of the time spent travelling.
- (ii) Scale 2 radius allowance is payable to employees travelling to work in transport provided free by the employer and is therefore a payment for travel time only.
- (iii) HMRC currently require specific taxation conditions to apply to Scale 1 payments. The table in NAECI Appendix A.4 is constructed in accordance with these conditions.

## 9.2 ACCOMMODATION ALLOWANCE

(a) Eligibility

An employee who, by agreement with his/her employer, lives away from home shall be entitled to an accommodation allowance as in NAECI Appendix A.5, subject to satisfactory completion of the approved application form which may be found on the NJC website ([www.njceci.org.uk](http://www.njceci.org.uk)). In circumstances approved by HM Revenue & Customs, as set out in the application form, this is paid tax-free.

*Note: Employers shall not unreasonably withhold their agreement, as required above. In particular, they shall have regard to the fact that accommodation allowance is intended to apply to employees who have been required by their employer to work at a place outside normal daily travelling distance from their permanent home, such that employees must in fact reside in temporary accommodation away from their permanent home address (see further Application for Accommodation Allowance - Notes for Applicants, reproduced in full on the NJC website ([www.njceci.org.uk](http://www.njceci.org.uk))).*

(b) Permanent home address

The employer shall determine with each employee a personal home base, which will normally be his/her permanent home address, for the purpose of establishing eligibility for accommodation allowance. The permanent home address shall be recorded and revised as necessary.

(c) Weekly payment

Accommodation allowance shall be paid for 7 days in each week except in the case of a broken week.

(d) Reimbursement of accommodation retainers

Where an employee is required to make a payment to retain his/her accommodation when it is not occupied and the employee is absent with permission he/she shall be reimbursed, upon production of proof of payment to the employer's satisfaction, the sum actually paid, up to the following maximum amounts:

- (i) For public holidays and periodic leave up to the maximum in NAECI Appendix A.5(b)

- (ii) For days of annual holiday up to the maximum in NAECI Appendix A.5(c).
- (iii) For certified sickness and other absence with permission up to the maximum in NAECI Appendix A.5(c), but limited to a period of no more than 14 days.
- (e) Reimbursement of actual expenses

An employer may agree to reimburse actual accommodation expenses against receipts as an alternative to paying accommodation allowance. All such accommodation must be considered reasonable by the employer and mutually acceptable, taking into account the circumstances in the locality.

However, if the employer reimburses accommodation expenses which are higher than accommodation allowance and it cannot be demonstrated that the circumstances are exceptional, e.g. an exceptionally high cost area, then the amount in excess of accommodation allowance must be taxed (notwithstanding that receipts are available to support the payments).

- (f) Penalty for absenteeism

An employee who is absent or unavailable for work during working hours on a normal working day without good cause or without permission shall forfeit the accommodation allowance payable for that day. If such absence occurs on either a Friday or a Monday the accommodation allowance applicable to Saturday and Sunday shall also be forfeited unless those days are worked.

- (g) Employees Sick in Accommodation

Any case of sickness or accident occurring during the course of an employee's employment, which necessitates an employee entitled to accommodation allowance remaining in his accommodation, may be the subject of special arrangements for payment of the allowance for a maximum period of 14 days.

- (h) Accommodation Allowance at Periodic Leave

When employees return home for periodic leave (see NAECI 9.4) accommodation allowance shall be paid for the days on which employees are travelling home from the site and returning to the site. In respect of the intervening days of holiday the accommodation retainer shall be paid as in NAECI 9.2(d)(i) and Appendix A.5(b).

For example, if a job closes down on a Friday night for a periodic leave and the following Monday is a holiday so that work is resumed on Tuesday, accommodation allowance is payable for both Friday and Tuesday, the 2 travelling days. The retainer is then payable for Saturday, Sunday and Monday.

If, however, an employee chooses not to travel home but to remain in the accommodation he/she shall receive full accommodation allowance for the period but not periodic leave transport expenses nor travelling time payment (NAECI 9.4(b) and (c) refer).

## **9.3 SPECIAL TRAVEL AND ACCOMMODATION ARRANGEMENTS WITHIN THE M25**

- (a) Eligibility

These special travel and accommodation arrangements apply to employees engaged on work within the M25 orbital motorway.

- (b) London supplement

A London supplement to accommodation allowance as in NAECI Appendix A.6 is



payable to employees in receipt of accommodation allowance and engaged on work within the M25 orbital motorway.

(c) Travel cards

(i) Employees in accommodation

Employees in receipt of the London supplement to accommodation allowance are entitled to the free issue of a London travel card from the London public transport zone in which the accommodation is located to the London site at which they are employed.

(ii) Employees in receipt of radius allowance

Employees travelling to work daily from beyond the London public transport zones are entitled to the free issue of a London travel card from zone 6 to the London site at which they are employed.

(d) Taxation Treatment

(i) London supplement

The London supplement is taxable.

(ii) Travel cards

There are no concessionary arrangements applying to the provision of travel cards by employers and the Employer's Guide to PAYE explains that employees will be taxable on the cost of the cards. Employers are not required to deduct tax but are obliged to provide full details of the cards to the Inspector of Taxes.

## 9.4 TRAVELLING EXPENSES FOR PERIODIC WEEKEND LEAVE AND ON COMMENCEMENT, TERMINATION AND TRANSFER OF EMPLOYMENT

(a) Periodic weekend leave

Periodic weekend leave shall be granted on 12 occasions during the year to employees on 'away contracts' and in receipt of accommodation allowance. These periodic leaves shall normally be scheduled once per month and arranged where possible to coincide with recognised holiday periods, although in exceptional cases these arrangements may be varied by mutual agreement between the employer and the individual employee.

The frequency and number of periodic weekends may be varied locally by agreement between the employee and the employer. There must be no cost saving to the employer from any agreed variation to periodic leave arrangements which must be registered with the PJC and reported to the auditor.

Any such alternative arrangement outside of 12 periodic weekends per year will fall outside the scope of the established concessions for NAECI allowances granted by HM Revenue and Customs. Accordingly, the taxation treatment of such arrangements is a separate matter to be resolved between the employers, employees and tax authority concerned.

(b) Transport expenses

On commencement and termination of employment on 'away contracts' employees entitled to accommodation allowance shall be entitled to transport expenses, comprising fares or vouchers, reimbursed at full standard class single rail fares between the main line stations nearest to the site and the employee's place of residence. In the case of periodic leave, transport expenses, comprising fares or

vouchers, shall be reimbursed at full standard class return rail fares between these stations. The employer may specify the travel route and an employee using some other route shall be liable to pay the difference in cost if any.

(c) Travelling time payment

In addition to transport expenses employees covered by this Section shall be entitled to a payment of travelling time of one hour at the basic rate for the first 30 miles and a half hour for each subsequent 20 miles or part thereof of the journey one way but the travelling time payment shall apply both at the start and at the finish of an 'away contract'. Distances for the purpose of this clause are measured by the fastest route option on the RAC Route Planner as NAECI 9.1(d).

(d) Transfer

An employee who is transferred to another site on which he/she qualifies for accommodation allowance shall be entitled to transport expenses and travelling time for the journey from the original site to the new site in accordance with this Section.

(e) Qualifications for Periodic Leave Payment

Employees are normally expected to return to the site during the course of their normal shift on the day following periodic leave. The payment of transport expenses, travelling time and the accommodation retainer shall be conditional on working up to normal finishing time prior to the periodic leave, the punctual return of the employee to the site on the next working day after the periodic leave and the employee's availability for work for the remainder of that day, unless the employee can produce evidence to the satisfaction of the employer that his/her absence was due to causes beyond his/her control or the employee is absent or returns late with the permission of the employer.

(f) Voluntary Termination of Employment

When an employee terminates his/her employment during a contract the employee shall not be entitled to travelling expenses for the journey to his/her home base. However, if the employer is satisfied that the termination arises from a genuine need to return home an application for such expenses shall be given proper consideration.

(g) Alternative Periodic Leave Arrangements

When an employee is retained to work during recognised periodic leave the employee shall receive his/her entitlements under NAECI 9.4 at another mutually convenient time. An employee so retained shall be entitled to the appropriate rates for the work done plus accommodation allowance for the days of retention only.

## 9.5 AIR TRAVEL

Where employees have to travel long distances to their homes and suitable air services are available, the employer, at his sole discretion, may agree to the employees travelling by air. The full transport expenses and travelling time entitlement of employees qualifying for accommodation allowance who take air travel are set out below:

(a) Commencement and termination of employment

On commencement and termination of employment, employees shall be entitled to:

(i) Transport expenses, consisting of:

- Single air fare between 'Airport H' (the airport nearest the employee's home) and 'Airport S' (the nearest appropriate airport to the site); and
  - Single rail fare between the main line station nearest to the site and the main line station nearest to 'Airport S', calculated in accordance with NAECI 9.4(b).
- (ii) Travelling time payment, consisting of:
- One hour's travelling time at the basic rate for that portion of the journey covered by air; and
  - Travelling time between the site and 'Airport S', calculated in accordance with NAECI 9.4(c).
- (b) Periodic weekend leave
- When taking periodic weekend leave employees shall be entitled to:
- (i) Transport expenses, consisting of:
- Return air fare between 'Airport S' and 'Airport H'; and
  - Return rail fare between the main line station nearest to the site and the main line station nearest to 'Airport S', calculated in accordance with NAECI 9.4(b).
- (ii) Travelling time payment, consisting of:
- One hour's travelling time at the basic rate for that portion of the journey covered by air (one way only); and
  - Travelling time between the site and 'Airport S' (one way only), calculated in accordance with NAECI 9.4(c).

## 10. HOLIDAYS WITH PAY

### 10.1 ENTITLEMENT

- (a) Full annual and public holiday entitlement

The full NAECI holiday entitlement consists of 5 weeks of annual holiday and 8 days of public holiday per annum. All holiday entitlement is to be taken during the Leave Year (see NAECI 10.2 below) in which it arises.

- (b) Days/hours of annual holiday entitlement

For annual holiday purposes, 5 weeks' entitlement represents:

- (i) 25 days, where an employee's basic working week consists of 5 normal working days;
- (ii) 20 days, where an employee's basic working week consists of 4 normal working days.

Where the number of days in an employee's normal basic working week varies from time to time (for example in a 9-day fortnight working pattern), the employee's annual holiday entitlement may be expressed in terms of hours instead of days. For these purposes, the hourly equivalent of a full year's annual holiday entitlement shall be 190 hours.

## 10.2 LEAVE YEAR

The Leave Year shall normally commence on the first working Monday in January and end on the Sunday before the first working Monday the following year. Where an employee's contract of employment or a collective agreement makes other provisions for the Leave Year, no alteration to these arrangements is necessary.

## 10.3 PAYMENT FOR HOLIDAYS

Payment for any period of annual or public holiday taken by an employee shall comply with the relevant statutory provisions covering calculation of 'a week's pay' for employment with normal working hours contained in Sections 221 to 224 of the Employment Rights Act 1996.

For holiday pay calculation purposes:

- (a) An employee's normal working hours shall be taken to be 38 hours per week.
- (b) Overtime hours and overtime pay shall not be taken into account.
- (c) A day's holiday pay shall be calculated:
  - (i) In the case of public holidays: by dividing the weekly rate by 5, irrespective of the number of normal working days in the employee's basic working week.
  - (ii) In the case of annual holidays: by dividing the weekly rate by the number of normal working days in the employee's basic working week. Where the number of days in an employee's normal basic working week varies from time to time (for example in a 9-day fortnight working pattern), the weekly rate shall be divided by the number of normal working days in the particular week in which annual holiday is being taken.

## 10.4 SELECTION OF PUBLIC HOLIDAYS

The 8 public holidays are normally:

- |                    |                       |
|--------------------|-----------------------|
| ■ New Year's Day   | ■ Spring Bank Holiday |
| ■ Good Friday      | ■ Summer Bank Holiday |
| ■ Easter Monday    | ■ Christmas Day       |
| ■ May Bank Holiday | ■ Boxing Day          |

but variations may apply in certain parts of the UK. Public holidays shall be arranged locally by mutual agreement in accordance with the usual practice for fixing holidays in the district concerned. Whilst it is desirable that the holidays of site employees should generally conform with those observed by local custom, this shall not preclude other mutually acceptable arrangements in exceptional circumstances such as when the majority of employees do not come from the local area.

## 10.5 ACCRUING ANNUAL HOLIDAY ENTITLEMENT

- (a) Rate of accrual

Subject to (b) below, where an employer operates a system of weekly accrual for annual holidays this shall be at the rate of 1/52 of the full annual holiday entitlement per week. Such accrual will be treated as continuing during annual holiday periods and public holidays.

Subject to NAECI 10.7 and 10.11(a), an employee may take a period of annual holiday exceeding his/her current accrued entitlement, provided this is mutually agreed with the employer.

- (b) Absence on authorised leave or through sickness

Employees absent on authorised leave for the reasons specified in NAECI 7.4(d)(ii) will continue to accrue annual holiday entitlement for weeks so lost.

## 10.6 NEW STARTERS

Subject to NAECI 10.12 and 10.13, an employee whose employment starts later than the beginning of the Leave Year (NAECI 10.2) shall be entitled to a proportion of the full 25 days' annual holiday entitlement calculated as follows:

$A = (B \text{ divided by } 52) \times 25$

Where: A is the number of days of annual holiday entitlement;  
B is the number of complete weeks of employment in the Leave Year.

Where an employee's annual holiday entitlement includes any fraction of a day, this shall be rounded up to a whole day when taken as holiday.

## 10.7 DISTRIBUTION OF ANNUAL HOLIDAYS

Except where different arrangements are specified in individuals' contracts of employment or a collective agreement (and subject to NAECI 10.12 and 10.13), the 25 days of annual holiday entitlement shall be distributed as follows:

- (a) A minimum of 5 days shall be attached to the public holidays during the Christmas/New Year period.
- (b) In order to establish a continuous shutdown a further 5 days will be attached, singly or severally on days of management choice, to existing annual or public holidays (of which no more than 3 days may be attached to the Christmas/New Year period without prior consultation and agreement on behalf of the employees concerned).
- (c) The balance of 15 days shall be taken by mutual agreement. These 15 days will normally be taken in units of 5 or more days together.
- (d) Holiday dates should be settled between the employer and individual employees as far in advance as possible to enable both sides to make necessary arrangements. Employees who join a contract after the dates have been settled are to be informed of the holiday arrangements on joining. An objective throughout shall be to retain a properly balanced workforce, thus maintaining maximum productivity.
- (e) Regulation 15 of the Working Time Regulations 1998 is hereby excluded.

## 10.8 PAYMENT FOR WORK DONE ON ANNUAL HOLIDAYS

Work done on days designated as annual holiday will not be subject to overtime payment.

## 10.9 ATTENDANCE BEFORE AND AFTER PUBLIC HOLIDAYS

- (a) The requirement

Subject to an allowance for travelling time in the case of travelling employees, individuals are required to work the full normal hours of the working days immediately preceding and following a public holiday.

Any employee who leaves site early without permission or returns late after the required time will be dealt with in accordance with the employer's disciplinary procedure for lateness and absenteeism and will be subject to warning, final warning, dismissal, suspension or transfer, as appropriate.

- (b) Employees absent on authorised leave or through sickness

Employees absent on authorised leave, or through sickness or accident certified to the satisfaction of the employer, on days immediately preceding or following a public holiday shall be paid in accordance with NAECI 10.3 for each day of public holiday concerned. No employee shall receive both sick pay and holiday pay for the same period.

## 10.10 PAYMENT FOR WORK DONE ON PUBLIC HOLIDAYS

Payment will be made at Overtime Rate B for all hours worked on the 8 public holidays. These days will be computed from midnight to midnight. In addition a day off in lieu will be taken at a convenient later date and paid in accordance with NAECI 10.3.

Where a 4 nights per week shift pattern is worked and discrepancies relating to payments for Bank Holidays arise, these shall be reconciled at the end of any 12 month period, or upon termination, if earlier.

## 10.11 TERMINATION OF EMPLOYMENT

- (a) Compensation payment to the employee/employer

On termination of employment, an employee shall be entitled to receive a payment in accordance with NAECI 10.3 for each day, or fraction of a day, of annual holiday entitlement not taken, calculated as follows (subject to NAECI 10.12 and 10.13):

$$C = (D \text{ divided by } 52) \times 25 - E$$

Where: C is the number of days of annual holiday entitlement not taken;

D is the number of complete weeks of employment in the Leave Year;

E is the number of days of annual holiday taken by the employee prior to termination of employment.

No rounding down or rounding up is to be done in respect of fractions of a day.

Where the employee has taken more days of annual holiday than his/her entitlement, the employee may be required, on termination of employment, to compensate the employer for the balance by means of deduction of the excess amount paid from final earnings.

- (b) Additional public holiday payment

A maximum of 2 public holidays falling within a period of 14 days following termination of employment for redundancy will be paid in accordance with NAECI 10.3 to those employees with more than 3 months' continuous service.

For this purpose the period of 14 days will commence on the day of termination of employment or the last day of a period of statutory notice for which payment in lieu of notice has been made.

Public holidays which fall within a period of payment in lieu of statutory notice will not be paid.

## 10.12 4-DAY WORKING

Where, in accordance with NAECI 10.1(b)(ii), an employee's full annual holiday entitlement consists of 20 days, the following figures shall be substituted for those appearing above:

- (a) 20 to be substituted for 25 in NAECI 10.6, 10.7 and 10.11.  
 (b) 4 to be substituted for 5, and 12 to be substituted for 15, in NAECI 10.7.

## 10.13 THE 9-DAY FORTNIGHT

Where, in accordance with NAECI 10.1(b), an employee's full annual holiday entitlement is expressed as 190 hours, the following figures shall be substituted for those appearing above:

- (a) 190 hours to be substituted for 25 days in NAECI 10.6, 10.7 and 10.11(a)
- (b) Other references to 'days' in NAECI 10.7 to be converted into hours, applying the principle set out in the second sentence of NAECI 10.3(c)(ii).
- (c) 'Hours' to be substituted for other references to 'days' in NAECI 10.11(a).

## 11. PENSION, WELFARE BENEFITS AND BEREAVEMENT LEAVE

### 11.1 ECI STAKEHOLDER SCHEME

#### (a) Eligibility

Subject to (b), (c) and 11.2 below, employers shall offer access to the ECI Stakeholder Scheme to all their employees employed under the NAECI on in-scope work.

#### (b) Qualifying period

Employees shall be entitled to submit an application to join the scheme after a 4-week period of qualifying employment.

This qualifying period shall not apply in the case of employees who are already members of the ECI Stakeholder Scheme at the beginning of a new period of employment. Existing members should simply supply their policy number to their new employer and a signed change of employer form, and the employer will then start making deductions and (where applicable) contributions in accordance with NAECI 11.1(d).

#### (c) Concurrent membership of more than one pension scheme

Pensions legislation sets out the circumstances in which individuals are permitted (or not permitted) to belong to more than one pension scheme at the same time. Where an employee is already a current member of another pension scheme, entitlement to join the ECI Stakeholder Scheme shall be conditional on his/her being permitted to do so in accordance with this legislation.

#### (d) Contributions

##### (i) Starting deductions/contributions

Once an employee has supplied the employer with his/her policy number, the employer shall start making deductions and, where applicable, payments of the fixed employer contribution in the pay week immediately following the pay week in which the policy number was supplied.

##### (ii) Employer and employee payments

The employee shall specify the weekly amount of employee pension contribution that he/she wants the employer to deduct from wages (net after tax).

Where this amount is equal to or greater than the applicable minimum employee contribution prescribed in NAECI Appendix A.7(a), the employer shall also contribute to the individual's fund by making a fixed weekly contribution as prescribed in NAECI Appendix A.7(a).

The employer shall forward all contributions to Scottish Widows at monthly or, where agreed, 4-weekly intervals. Scottish Widows shall then recover basic rate tax in respect of the employee contribution and add this to the employee's fund.

(iii) Part-time employees

Where an individual is employed on a part-time basis in accordance with NAECI 7.1(e), the minimum employee and fixed employer contributions specified in NAECI Appendix A.7(a) shall both be reduced pro rata.

(iv) Contributions to more than one scheme

Where a member of the ECI Stakeholder Scheme also belongs to another pension arrangement to which his/her employer is currently contributing, the employer shall be entitled to set such contributions off against any obligation to pay the fixed employer contribution in accordance with (b) above.

(v) Industrial action and unauthorised absence

The employer shall continue to make deductions where an employee does not work properly for all or part of a pay week because of industrial action and/or absence without due authorisation, provided that sufficient wages are available for this purpose. However, in such circumstances, the employer shall be entitled to withhold the whole of the fixed employer contribution relating to that pay week.

(vi) Termination of employment

The employer's obligation to make deductions and (where applicable) the fixed employer contribution continues during an employee's notice period (or any period covered by a payment in lieu of notice), but shall cease on termination of employment.

Members of the ECI Stakeholder Scheme may be permitted to continue making payments on their own behalf directly to Scottish Widows during periods of unemployment or non-qualifying employment. For further information contact Scottish Widows (see NAECI 11.1(f) below).

(e) Complaints

Employees' pension related complaints should be made through the grievance/disputes provisions of NAECI 14 where they concern an allegation either that:

- The employer has failed to make membership of the ECI Stakeholder Scheme available to all employees in accordance with NAECI 11.1; or that
- The employer has failed to make deductions and, where applicable, payments of the fixed employer contribution, or to forward contributions to Scottish Widows, in accordance with NAECI 11.1.

All other complaints (including those relating to Scottish Widows' management of the scheme or of an individual's fund) must be made through the Scottish Widows complaints procedure by contacting the Corporate Pensions Administration Manager via the Stakeholder helpline (see NAECI 11.1(f)).

(f) Further Information

Employees seeking further information about joining the ECI Stakeholder Scheme should first request a Scottish Widows employee pack from their employer. Information and assistance for existing and potential scheme members is also available from Scottish Widows on its Stakeholder helpline Tel: 0845 716 6777, or by contacting:



Scottish Widows  
15 Dalkeith Road  
Edinburgh  
EH16 5BU

Full details of the rules governing the ECI Stakeholder Scheme are contained in the latest editions of the 'Engineering Construction Industry Stakeholder Pension Scheme Regulations' and the 'Rules of the Scottish Widows Stakeholder Pension Plan', copies of which should be made available to employees by their employer on request.

## 11.2 AUTO ENROLMENT PENSION SCHEMES

From October 2012 onwards, employers will be required to make available a pension scheme to all eligible employees, in order to meet their statutory obligations under the Occupational and Personal Pension Scheme (Automatic Enrolment) Regulations.

Employers will be required to comply with these statutory obligations by different dates, dependent on the numbers of employees they employ.

By the end of the phasing in period in 2018, auto enrolment pension schemes will require higher contribution levels from both employee and employer and, in time, it is likely that most employees will choose to participate in an auto-enrolment pension scheme rather than a stakeholder scheme. The ECI Stakeholder Scheme remains open in the meantime.

## 11.3 WELFARE BENEFITS

### (a) Welplan Limited

Employers shall provide welfare benefits arranged by the ECIA for those employed under the NAECI through Welplan Limited. Further information is given on the Welplan Limited website ([www.welplan.co.uk](http://www.welplan.co.uk)).

The current scale of benefits is given in NAECI Appendix A.7(b).

### (b) Alternative schemes

Where employees are already covered by alternative schemes these may continue by mutual agreement between the parties provided that they offer benefits with effect from the date of employment which are in accordance with those listed in NAECI Appendix A.7(b).

### (c) Thermal insulation contractors

The welfare benefits entitlements and payment provisions of the TICI National Agreement, covering sickness and disablement benefits, shall continue to apply to employees of Thermal Insulation Contractors when employed under the NAECI in accordance with the understanding covering thermal insulation.

Death Benefit payment to employees of Thermal Insulation Contractors when employed under the NAECI will be in accordance with NAECI schedule A.7(b) 1, 2.1 and 3. (See NAECI 1.6.1 for further details).

### (d) Electrical contractors

Electrical contractors employing electricians under the NAECI may continue to operate JIB and SJIB welfare benefit schemes. Where appropriate, top-up arrangements will apply to ensure that the benefits taken as a whole are comparable with the benefits under the NAECI.

## 11.4 BEREAVEMENT LEAVE

### (a) Entitlement

Upon application, supported by evidence satisfactory to the employer, up to 5 days bereavement leave may be granted upon the death of a spouse, civil partner, child, parent or sibling.

It is recognised that, for lodging employees, the entitlement outlined above may not be sufficient. Therefore, upon application, supported by evidence satisfactory to the employer, up to 10 working days bereavement leave may be granted to those employees in receipt of accommodation allowance, in the event of the death of a spouse, civil partner, child, parent, or sibling. In these circumstances, employers will give consideration to the payment of an additional standard class return rail fare between the station nearest the site and the employee's place of residence. If the period of bereavement leave includes and/or is attached to a scheduled periodic weekend leave, only one return fare will be payable.

In the event of the death of the parent of a spouse or civil partner up to 3 days leave may be granted.

Where an employee has a special responsibility towards a deceased person in another category of relationship, supported by satisfactory evidence, bereavement leave may also be granted.

Employers should be mindful of the effects of grief upon personal behaviour and should treat sympathetically all applications that meet the conditions laid down above.

### (b) Payment for bereavement leave

For each day of bereavement leave so granted the employee will be paid for basic working hours at the appropriate basic hourly rate.

## 11.5 STATUTORY PATERNITY LEAVE

### (a) Eligibility

The provisions of (b) below shall apply where an employee who is due to become a parent or adoptive parent:

- (i) Qualifies for statutory paternity leave and pay, under the provisions of the Employment Rights Act 1996 and associated regulations; and
- (ii) Decides to exercise his/her entitlement to take either 1 week's or 2 consecutive weeks' statutory paternity leave, in accordance with those provisions; and
- (iii) Successfully completes and submits to his/her employer within the required timeframe the information and declaration sections of the appropriate HM Revenue & Customs form (SC3 'Becoming a Parent', or SC4 'Becoming an Adoptive Parent'), and complies with the terms and conditions attached to that form.

### (b) 'Topping up' statutory paternity leave/pay

Where an employee fulfils all the eligibility requirements set out in (a) above and takes statutory paternity leave for the period notified under (a)(iii) above, his/her employer shall supplement the employee's statutory paternity pay so that the employee receives gross pay (i.e. before deductions for tax, national insurance, employee pension contributions, etc.) equivalent to the appropriate basic hourly

rate payable for normal working hours for the week or 2 consecutive weeks in question.

(c) Employees who do not qualify for statutory paternity pay

Where an employee is due to become a parent or adoptive parent but does not qualify for statutory paternity leave or pay (e.g. because he/she has not completed 26 weeks' continuous employment by the applicable date), his/her employer should nevertheless treat with sympathy any request by the employee for up to 5 consecutive days of annual holiday or authorised unpaid leave. The employee is required to make this request in sufficient time for the employer to be able to put alternative arrangements in place to minimise any disruption to productive work.

## 12. MARKING THE DEATH OF A WORK COLLEAGUE

### 12.1 ARRANGEMENTS FOR MARKING THE DEATH OF A WORK COLLEAGUE

NAECI 12.3 refers to the comprehensive provisions for marking the death (whether on site or off site) of a current work colleague. These enable employees and managers, working closely together, to arrange for:

- (a) Work colleagues of the deceased to pay tribute to his/her memory through an agreed, formal mark of respect organised on the site.
- (b) Representatives of the company's employees to receive special paid leave to attend the funeral.
- (c) The collection of donations for the dependants of the deceased.

### 12.2 UNAUTHORISED 'SYMPATHY' STOPPAGES

Any unauthorised stoppage of work intended as an alternative or additional mark of 'respect' or 'sympathy', shall be reported to the NJC as a breach of the NAECI.

Such a stoppage shall also be treated as an unlawful and illegitimate withdrawal of labour, resulting in forfeiture of pay, benefits, allowances and other contractual payments for the relevant period(s). Such unauthorised stoppages will also lead to the automatic forfeiture of part or all of the performance-based element of Incentive Bonus Arrangements as detailed in NAECI 19.3. Furthermore, those implicated in the stoppage may be subject to disciplinary action. In the event of an unauthorised sympathy stoppage on any NAECI project or site, the Conditional Death Benefit will not be approved for payment.

### 12.3 PROVISIONS OF CLAUSES 12.4 - 12.10

The objective of the following provisions is to accommodate more effectively employees' genuine desire to pay tribute to a current work colleague who has died, and at the same time avoid the unnecessary disruption of work and damage to the reputation of the UK industry and workforce inflicted by unauthorised and disorderly 'sympathy' stoppages on some sites in the past.

### 12.4 DEATH ON SITE

Employees in the immediate vicinity of a death on site will be distressed and may be granted permission to leave the site for the remainder of that shift without loss of pay, allowances or privileges.

The rest of the workforce should remain at work. Employees may take the opportunity to pay tribute to a deceased colleague subsequently in accordance with NAECI 12.6, 12.7 and 12.9 below.

## **12.5 DEATH OFF SITE**

There shall be no unauthorised stoppage of work arising from the death off site of a current site employee. However, employees may take the opportunity to pay tribute to a deceased colleague subsequently, in accordance with NAECI 12.6, 12.7 and 12.9 below.

## **12.6 FORMAL MARKS OF RESPECT**

In the event of the death (on site or off site) of a current site employee, arrangements for any subsequent, formal mark of respect by colleagues of the deceased shall be discussed and agreed in advance with the site management of the company concerned. The client's management shall also be consulted. Where there is a desire to involve site employees from other companies in any mark of respect, the arrangements shall be discussed and agreed in advance with the site management of each of those companies as well.

Such marks of respect shall be appropriate and proportionate (e.g. 2 minutes' silence) and shall be scheduled to avoid any unnecessary disruption to production.

Provided the above arrangements are complied with, no loss of pay, benefits or allowances shall result from participation in a formal, coordinated mark of respect agreed in accordance with this Section.

## **12.7 ATTENDING THE FUNERAL**

Following the death (on site or off site) of a current site employee, the employer of the deceased will permit a limited number of representatives of the company's employees to attend the funeral of their colleague. Where this is agreed, there will be no loss of allowances and the basic rate of pay will also be maintained for the normal working hours spent attending the funeral.

## **12.8 WELFARE BENEFITS**

The dependants of the deceased will receive a benefit and may receive a further Conditional Death Benefit in accordance with NAECI A.7(b). In the event of a fatal accident occurring on site or while an operative is undertaking daily travel between home/lodgings and site (and return) accidental death lump sum benefit will also apply.

## **12.9 COLLECTIONS**

Employees may wish to make donations to a fund for the dependants of a colleague who has died. The employer of the deceased person may provide facilities to assist in the collection and safe keeping of such donations.

## **12.10 FUNERAL OF A FORMER COLLEAGUE**

Although the death of a former colleague (i.e. someone no longer employed at the particular site at the time of his/her death) can be upsetting for those who were especially close to that person, this is essentially a private matter for the individuals concerned. Nevertheless, employers should respond sensitively and sympathetically to any reasonable request for holiday or unpaid leave of absence made by an employee who wishes to attend a funeral in such circumstances.

## **12.11 NJC MONITORING**

The NJC shall monitor the operation of these provisions, including any instances of non-

compliance. These shall be summarised in an annual report, the findings of which shall be taken into account by the industry's employers in considering any enhancement of the value of the benefits referred to in NAECI 12.8.

## 13. RESOLVING ISSUES AT WORK - OVERVIEW

Employers, employees and trades unions have a mutual interest in preventing disputes arising in the first place, and if they do arise, in seeking to resolve them as swiftly, fairly and effectively as possible.

The following steps should all help ensure that this happens in practice:

- (a) Provision of full, accurate and comprehensible information to all employees about the main terms and conditions (including procedures) applicable to their employment.
- (b) Early consultation on any issues liable to arise in respect of site conditions and/or logistical arrangements, and the establishment and maintenance of adequate site welfare facilities (see NJC Guide to Health, Safety and Welfare).
- (c) Communication of clear rules on how any issues that do arise will be resolved, including the establishment of written company grievance and disciplinary procedures in accordance with NAECI 14 and 15 below.
- (d) Demonstration of a joint commitment from individual managers, employees and trades union officials to seek to resolve issues in accordance with the NAECI and these procedures.
- (e) Provision of sufficient training and support for managers and shop stewards to perform their respective roles with regard to grievances, dispute resolution and/or discipline effectively.

## 14. RAISING A GRIEVANCE

### 14.1 COMPANY GRIEVANCE PROCEDURES

- (a) Each company in membership of a signatory employer association will ensure that it has in place a formal, written grievance procedure. The terms of this procedure shall be consistent with the requirements of NAECI 14.2 to 14.5. In the absence of a proper company procedure, these Sections shall stand in place of that procedure.
- (b) Observance of the requirements of NAECI 14.2 to 14.10 is also deemed to constitute compliance with good practice as outlined in the ACAS Code of Practice "Disciplinary and Grievance Procedures" (April 2009).

### 14.2 NORMAL WORKING

There shall be no stoppage of work or any other industrial action while any of the domestic or external stages of the procedure are being used.

The status quo (i.e. whatever conditions, practice or agreement on working and management arrangements, established in accordance with the NAECI, that applied prior to the dispute) will be maintained until resolution is achieved through the procedure, or the procedure is exhausted.

Any unprocedural action by employees contrary to the above paragraph shall entitle the employer:

- (a) To make deductions of pay, benefits, allowances and other contractual payments for

the relevant period(s). Automatic forfeiture of the performance-based element of any incentive bonus arrangement will also apply (in line with NAECI 19.3). Any deductions duly forfeited as a consequence of unprocedural action will not be recoverable, and any claim for recovery will be treated as inadmissible and not pursued; and

- (b) To take disciplinary action.

### **14.3 DOMESTIC RESOLUTION (INFORMAL)**

It is usually best for all involved if grievances can be resolved speedily and informally. Accordingly, the employee or employees concerned should normally, in the first instance, bring any issue or complaint to the attention of their immediate line manager, usually a foreman or supervisor.

### **14.4 DOMESTIC RESOLUTION (FORMAL): STAGE 1**

If the matter is not speedily resolved on an informal basis, it may then be referred through the shop steward(s) or, in the absence of shop steward(s), the local full time officer(s) of the signatory trades union(s) concerned, for consideration with the appropriate designated manager.

### **14.5 EXTERNAL RESOLUTION: STAGE 2 AND BEYOND**

If the matter is not resolved at Stage 1 either party may refer it to a Stage 2 Site Meeting. Further provisions concerning the resolution of issues at Stage 2, and the subsequent procedural stages if matters remain unresolved, are set out in NAECI 14.6 to 14.10.

### **14.6 STAGE 2: SITE MEETING**

- (a) Conduct of the Site Meeting

If a matter is not resolved at Stage 1 (see NAECI 14.4) either party may refer it to the local full time officer(s) of the signatory trades union(s) concerned, who will then visit the site to try to resolve the issues with the senior management representatives of the employer on site. The ECIA Regional Employment Relations Executive has a right to be present at such meetings to represent his/her member company. The meeting shall take place within 5 working days of the reference to the local full time officer(s), or as otherwise mutually agreed. A written record of the proceedings and outcome shall be made and agreed between the parties.

- (b) Collective issues and questions of interpretation

When, on a Major New Construction Project or Long Term Repair and Maintenance Site in receipt of additional employment relations support under NAECI 20, the matter at issue has serious implications for other employees and trades unions, or involves an interpretation of the NAECI, SPA or a Long Term Repair and Maintenance Agreement, the function of Stage 2 is confined to collecting and recording the facts and the matter is to be referred as appropriate to the PJC or Local Forum.

- (c) Next stage of procedure

If settlement is not reached at Stage 2 and it is desired by either party to pursue the case further, the next stage of procedure shall be:

- (i) For Major New Construction Projects and Long Term Repair and Maintenance Sites receiving additional employment relations support under NAECI 20: the local signatory employers and trades unions will agree whether provision for a

Stage 3 reference is appropriate for the project or site. Any such agreement must be made prior to the employment of labour or the coming into effect of any SPA, or Long Term Repair and Maintenance Agreement and is subject to NJC approval.

(ii) In all other cases: an NJC Dispute Adjudication Panel (Stage 4).

*Note: Separate provisions apply in the event of a failure to agree at Stage 2 in relation to dismissal appeal cases (see further NAECI 15.8.1).*

## **14.7 STAGE 3: REFERENCE TO PJC/LOCAL FORUM**

(a) PJC/Local Forum/Panel Meeting

Failing settlement at Stage 2, any unresolved matters on a Major New Construction Project or Long Term Repair and Maintenance Site receiving additional employment relations support under NAECI 20 may be referred to the PJC or Local Forum. A meeting of the PJC or Local Forum, or any panel which it may appoint to deal with matters arising, shall be held within 5 working days of the completion of Stage 2 or as otherwise mutually agreed. Representatives of the NJC and signatory employers' associations have the right to attend all Stage 3 meetings.

(b) Publication of decision

A decision will be reached on the matters at issue and an agreed Joint Bulletin prepared setting out the findings of the PJC, Local Forum or Panel which will be sent to site for distribution to shop stewards and employers, and copies will be posted on site notice boards.

(c) NJC practice directions/guidance

From time to time, the National Joint Council may issue further practice directions and/or guidance for parties to disputes and PJC/Local Forum members in order to help ensure the most effective conduct of Stage 3 proceedings (see further NAECI 14.8(b) below).

## **14.8 STAGE 4: NJC DISPUTE ADJUDICATION PANEL**

Failing settlement at the appropriate preceding stage (Stage 2 or Stage 3) the National Office of the relevant signatory trades union or employers' association may pursue the matter further by referring it for a final hearing and decision at Stage 4, the NJC Dispute Adjudication Panel or, if appropriate, by the NJC Finance & General Purposes Committee. Appendix E to this Agreement sets out in full the practice directions, timescale and guidance in respect of an application to an NJC Dispute Adjudication Panel.

(a) Outline of Stage 4 procedure

(i) The NJC Dispute Adjudication Panel will include an equal number of trades union and employer members.

(ii) Panel hearings will normally be held in London. A special request for a local panel may be considered but only if there is no loss of time in arranging the hearing.

(iii) After hearing the presentation of the case and such evidence as it may require, the Panel will make a decision (Finding) on all matters referred from the preceding stage of the procedure. The Finding will be final and binding on both parties and there will be no right of further appeal.

- (iv) Every effort shall be made to reach a unanimous decision. If this proves impossible then the Panel may reach a Finding supported by a majority of votes.
- (v) In the event of a failure to arrive at a decision the matter shall be referred to the National Joint Council for consideration at its next meeting.
- (vi) On any question which is considered by the Panel to raise issues concerning the interpretation of the NAECI, or to be of fundamental importance to the engineering construction industry, the Panel has the right to bring the matter before the National Joint Council before promulgating its decision.
- (vii) Decisions of the Panel will normally be implemented with immediate effect. In the event that either party has practical difficulties in implementation they should seek the agreement of the Panel to the time frame in which the decision will be implemented.

(b) NJC practice directions

The National Joint Council has produced further practice directions on the submission of a reference to Stage 4 and the conduct of NJC Dispute Adjudication Panel hearings. See Appendix E.

A key objective for the National Joint Council in preparing these directions was to ensure that grievances/disputes are resolved or moved up to the next stage as speedily as possible.

(c) Training

The NJC shall ensure that panel members and trades union/employers' association officials who are required to represent employees/employers at Panel hearings are competent to perform their respective roles. As part of this process, the NJC shall develop a systematic and extensive induction/training programme for Panel members and representatives.

## 14.9 EMPLOYER REFERENCES

Where an employer has exhausted the opportunity for resolving an issue domestically in accordance with NAECI 14.3 and 14.4, that issue may be referred to Stage 2 in accordance with NAECI 14.5. Any subsequent stages will then operate in accordance with NAECI 14.6 to 14.8 above.

## 14.10 FULL TIME OFFICIAL REFERENCES

NAECI 14 allows a collective grievance to be raised and dealt with through procedure if it is raised by an individual or a group of individuals in membership of one of the signatory trades unions which have brought the complaint to the attention of their line manager.

A full time official may raise a concern on behalf of workers based outside the UK, provided the issue of concern relates solely to the implementation of NAECI rates of pay and allowances. The process for resolution shall commence with NAECI 14.5 Stage 2 and beyond

## 15. MANAGING DISCIPLINE

### 15.1 COMPANY DISCIPLINARY PROCEDURES

Each company in membership of a signatory employers' association will ensure that it



has in place a formal, written disciplinary procedure. The terms of this procedure shall be consistent with the ACAS Code of Practice on 'Disciplinary and Grievance Procedures' (April 2009), and NAECI 15.2 to 15.8. In the absence of a proper company procedure, these Sections shall stand in place of that procedure.

## **15.2 EARLY MANAGEMENT INTERVENTION**

Once a manager has identified an issue of poor performance, absenteeism/lateness or minor misconduct involving an employee with at least 4 weeks' continuous service, it is normally good practice to seek to address the issue with the employee directly, either informally (e.g. informal verbal caution) or as part of a formal process established by the employer (e.g. absence management, individual employee assessment, etc.).

## **15.3 WARNINGS**

Where intervention under NAECI 15.2 has not succeeded in resolving the issue, or in more serious cases of poor performance, absenteeism/lateness or misconduct (other than gross misconduct), the subsequent formal disciplinary procedure shall be consistent with the provisions of NAECI 15.6 and 15.8.

## **15.4 SUMMARY DISMISSAL FOR GROSS MISCONDUCT**

### **(a) Gross misconduct**

Each company's disciplinary procedure shall include an indicative, non-exhaustive list of serious infringements that management shall normally treat as gross misconduct justifying summary dismissal without notice. Examples of infringements that might be expected to feature in such a list are given in NAECI 15.7.1 and 15.7.2.

### **(b) Investigation**

Any allegation of an infringement that is normally treated as gross misconduct shall be immediately reported to the appropriate designated manager and shop steward. Before any disciplinary meeting, management shall investigate the matter and document the evidence.

The employee may be suspended without loss of base rate or incentive bonus earnings for the normal hours lost, pending completion of the investigation. Suspension with pay will not, however, apply to employees who do not hold themselves available for work.

### **(c) Formal disciplinary procedure**

If, following the investigation, the appropriate designated manager decides to continue formal action in relation to the allegation of gross misconduct, the subsequent formal disciplinary procedure shall be consistent with the provisions of NAECI 15.7 and 15.8.

## **15.5 TRADES UNION REPRESENTATIVES**

Although normal disciplinary standards apply to their behaviour as employees, disciplinary action against a duly accredited shop steward can be misconstrued. Employers should seek to engage in early discussion with the local full time officer of the signatory trades union concerned where any potential issue may arise.

## 15.6 FURTHER PROCEEDINGS

### 15.6.1 Disciplinary Meeting

Where early management intervention under NAECI 15.2 has not succeeded in resolving a potential disciplinary issue, or in more serious cases of poor performance, absenteeism/lateness or misconduct (other than gross misconduct), the appropriate designated manager shall start formal disciplinary proceedings by:

- (i) Providing the employee with a written statement of the complaint against him/her;
- (ii) Inviting the employee to a disciplinary meeting where he/she will have an opportunity to give an explanation and comment on the matters in question; and
- (iii) Advising the employee of his/her right to be accompanied at that meeting (see further NAECI 15.6.3).

### 15.6.2 Disciplinary Action

Depending on the outcome of the meeting some form of disciplinary action may be taken as follows:

(a) Recorded verbal warning

Unless the infringement is regarded as more serious (see (b) below) the employee should normally receive a recorded verbal warning, copied to the employee, giving details of the complaint, the improvement or change in behaviour required, the timescale allowed for this and the domestic right of appeal (see NAECI 15.8.1(d)). The warning should also inform the employee that a final written warning may be considered if there is no sustained satisfactory improvement or change. A copy of the warning should be kept on file but should be disregarded for disciplinary purposes after a specified period, which is normally 6 months.

(b) Final written warning

Where during the currency of a prior warning there is a failure to improve or change behaviour or the employee commits another infringement, or alternatively where a first infringement is sufficiently serious, the employee should normally be given a final written warning after the disciplinary meeting. This should give details of the complaint, warn the employee that failure to improve or modify behaviour may lead to dismissal or some other action short of dismissal and refer to the domestic right of appeal (see further NAECI 15.8.1(d) below). The final written warning should normally be disregarded for disciplinary purposes after a specified period, which is normally 12 months.

(c) Dismissal with notice or other sanctions

If during the currency of a prior warning the employee's performance, attendance or conduct still fails to improve or the employee commits another infringement, the final step after a disciplinary meeting shall be dismissal with notice, or alternatively disciplinary transfer or disciplinary suspension without pay.

The decision to dismiss should be taken only by the appropriate designated manager and the employee should be informed as soon as reasonably practicable of the reasons for the dismissal, the date on which employment will terminate, the appropriate period of notice and information on the right of appeal, including how to make an appeal and to whom (see further NAECI 15.8.1(a)).

Where, alternatively, the appropriate designated manager decides not to dismiss on this occasion, he/she may impose a lesser penalty of disciplinary transfer or disciplinary suspension without pay and/or issue a final written warning, as appropriate. The employee should be informed as soon as reasonably practicable of the details of this alternative penalty and/or warning (including the duration of the warning, which is normally 18 months) and information on the domestic right of appeal, including how to make an appeal and to whom (see further NAECI 15.8.1(d)).

All these matters should be confirmed to the employee in writing.

### **15.6.3 Right of Accompaniment**

All employees required to attend a disciplinary meeting are entitled to be accompanied by an accredited trades union official or fellow employee.

## **15.7 GROSS MISCONDUCT**

### **15.7.1 Examples of Gross Misconduct**

The following are examples of conduct typically falling within the definition of gross misconduct and which might entitle the employer to dismiss summarily without notice:

- Stealing.
- Assault or threatening behaviour.
- Wilful or reckless damage to property.
- Coming to work while under the influence of drugs or alcohol, and/or the introduction, possession or use of illegal drugs or alcohol at the workplace.
- Wilful or reckless non-compliance with safety legislation and company/site safety rules.
- Wilful falsification of records, including (where applicable) time sheets, clock cards, application forms or bonus calculation records.
- Wilful neglect of work (e.g. sleeping during working hours).
- Undertaking private work during working hours.
- Leaving work without permission and (where applicable) without clocking out.
- Clocking any other employee's card.
- Reckless or grossly inferior work.
- Refusal to carry out a reasonable working instruction.
- Wilful misuse of the property of either the employer or the client.
- Deliberate release of confidential information on processes, patents, company inventions etc. to unauthorised persons.

### **15.7.2 Other possible instances of Gross Misconduct**

The above list is not exhaustive. It illustrates the type of conduct that normally merits dismissal for a first offence. Other types of offence - such as bullying, harassment, indecent language or behaviour, deliberate unlawful discrimination, or misuse of the employer's e-mail, internet, computers, fax or telephones - may be treated as gross misconduct, depending on the seriousness of the particular facts.

### 15.7.3 Disciplinary Meeting

If, following an investigation in accordance with NAECI 15.4(b), the appropriate designated manager decides to continue proceedings in relation to the allegation of gross misconduct, the manager shall start formal disciplinary proceedings by:

- (i) Providing the employee with a written statement of the complaint against him/her;
- (ii) Inviting the employee to a meeting where he/she will have an opportunity to give an explanation and comment on the matters in question; and
- (iii) Advising the employee of his/her right to be accompanied at that meeting (see NAECI 15.7.5).

### 15.7.4 Summary Dismissal or other Sanctions

If after completion of the disciplinary meeting the appropriate designated manager finds that the employee did commit an act of gross misconduct, he/she may proceed to dismiss the employee summarily without notice.

The employee should be informed as soon as reasonably practicable of the reasons for the dismissal, the date on which employment terminates and information on the right of appeal, including how to make an appeal and to whom (see further NAECI 15.8.1(a) below).

Where, alternatively, the appropriate designated manager decides not to dismiss an employee summarily following a finding of a gross misconduct, he/she may impose a lesser penalty of disciplinary transfer or disciplinary suspension without pay and/or issue a final written warning, as appropriate. The employee should be informed as soon as reasonably practicable of the details of this alternative penalty and/or warning (including the duration of the warning, which is normally 18 months) and information on the domestic right of appeal, including how to make an appeal and to whom (see further NAECI 15.8.1(d) below).

These matters should be confirmed to the employee in writing.

### 15.7.5 Right of Accompaniment

All employees required to attend a disciplinary meeting are entitled to be accompanied by an accredited trades union official or fellow employee.

## 15.8 APPEALS AGAINST DISMISSAL

### 15.8.1 Domestic/External Appeals

- (a) Disciplinary dismissals (excluding probationary period)

Subject to (c) below, where an employee is either dismissed on notice for misconduct under NAECI 15.6.2(c) or dismissed summarily without notice for gross misconduct under NAECI 15.7.4, his/her right to appeal against dismissal shall be determined as follows:

- (i) Domestic appeal and/or Stage 2

The employer's disciplinary procedure may provide either for a domestic appeal meeting prior to Stage 2, or for the matter to proceed straight to Stage 2 (see further NAECI 14.6(a)).

- (ii) NJC Dismissal Arbitration Panel

In the event of a failure to agree at Stage 2, an application may be submitted to an NJC Dismissal Arbitration Panel under NAECI 15.8.2 as the final, binding stage of appeal. Where an individual is also eligible to submit an employment tribunal application in relation to the same matter, he/she shall have the option of applying either to the tribunal or to an NJC Dismissal Arbitration Panel, but not to both.

(b) Redundancy dismissals

(i) Matrix selection: domestic appeal and Stage 2

Where selection for redundancy is based on the performance of individual employees against a matrix of factors, the employer shall make a domestic appeal meeting available to any individual who wishes to challenge his/her selection for redundancy (NAECI 16.4(f)(ii) refers). If this meeting fails to resolve matters, the issue may then be referred to Stage 2 (see further NAECI 14.6(a)).

(ii) Non-matrix selection: domestic appeal and/or Stage 2

Where a matrix is not used (e.g. in those cases where length of service is the only practicable basis for differentiating between individuals (see NAECI 16.4(e)(i)), the employer's procedure may provide either for a domestic appeal meeting prior to Stage 2, or for the issue to proceed straight to Stage 2.

(iii) NJC Dismissal Arbitration Panel

In the event of a failure to agree at Stage 2 under either (i) or (ii) above, an application may be submitted to an NJC Dismissal Arbitration Panel under NAECI 15.8.2 as the final, binding stage of appeal. Where an individual is also eligible to submit an employment tribunal application in relation to the same matter, he/she shall have the option of applying either to the tribunal or to an NJC Dismissal Arbitration Panel, but not to both.

(c) Disciplinary dismissals during the probationary period

Any appeal against dismissal during the probationary period shall be exercised solely through the applicable domestic appeal provisions of the employer's disciplinary procedure (NAECI 5.7(c) refers).

(d) Disciplinary action short of dismissal

Any appeal against disciplinary action short of dismissal (i.e. disciplinary transfer, disciplinary suspension and/or warning) shall be exercised solely through the domestic appeal provisions of the employer's disciplinary procedure.

## 15.8.2 NJC Dismissal Arbitration Panel

(a) Application to an NJC Dismissal Arbitration Panel

The local full time officer of the signatory trades union will inform the employer, within 5 working days of the failure to agree at Stage 2, whether he/she wishes to apply to an NJC Dismissal Arbitration Panel or to withdraw the claim. If the local full time officer decides to proceed, he/she is to apply to the NJC office for an Arbitration Panel to be convened to hear the application at the earliest opportunity.

The application shall include a concise written statement of the grounds for challenging the dismissal and the main facts/evidence relied upon. Appendix F to this Agreement sets out in full the practice directions, timescale and guidance in respect of an application to an NJC Dismissal Arbitration Panel.

- (b) Outline of an NJC Dismissal Arbitration Panel procedure
  - (i) The NJC Dismissal Arbitration Panel will include an equal number of trades union and employer members.
  - (ii) Panel hearings will normally be held in London. A special request for a local panel may be considered but only if there is no loss of time in arranging the hearing.
  - (iii) The Panel's decision to dismiss or uphold the application shall be based on its assessment of all the relevant circumstances.  
 The Panel's decision (which shall be binding on both parties) shall be delivered at the end of the hearing and confirmed in writing. Where an application is upheld, it shall be for the Panel to determine which remedy (or remedies) should be applied, taking into account all the relevant circumstances, including any representations made by the parties.
  - (iv) Every effort shall be made to reach a unanimous decision. If this proves impossible then the Panel may reach a decision supported by a majority of votes.
  - (v) A Panel has discretion to direct whether or not reasonable travel expenses incurred by the appelland employee in attending a hearing are to be reimbursed by the employer.
- (c) NJC practice directions

The National Joint Council has produced further practice directions on appeals to an NJC Dismissal Arbitration Panel and the conduct of Panel hearings. See Appendix F.

A key objective for the National Joint Council in developing these practice directions was to ensure that the NAECI is regarded by all industry stakeholders as providing a transparent, fair, consistent and efficient process for resolving disputes relating to disciplinary/redundancy dismissals.

- (d) Training
 

The NJC shall ensure that panel members and trades union/employers' association officials who are required to represent employees/employers at Panel hearings are competent to perform their respective roles. As part of this process, the NJC shall develop a systematic and extensive induction/training programme for Panel members and representatives.

### **15.8.3 Right of Accompaniment**

All employees required to attend a dismissal appeal meeting (whether at domestic level, Stage 2 or an NJC Dismissal Arbitration Panel) are entitled to be accompanied by an accredited trades union official or fellow employee.

### **15.8.4 Statutory Procedures**

Observance of the requirements of Stage 2 and/or NJC Dismissal Arbitration Panel procedure is deemed to constitute an appeals stage as recommended by the ACAS Code of Practice "Disciplinary and Grievance Procedures" (April 2009).

Where an employee opts, in accordance with 15.8.1(a)(ii) or (b)(iii) above, to apply to an employment tribunal instead of an NJC Dismissal Arbitration Panel, the NAECI dismissal appeals procedure shall be regarded as exhausted at the time of a failure to agree at Stage 2.

## 16. TRANSFER AND TERMINATION OF EMPLOYMENT

### 16.1 TRANSFER

(a) Notice of transfer

In cases where an employer wishes to move an employee to another site (as opposed to terminating the employee's employment) the maximum practicable notice of intended transfer should be given. This should not be less than one week other than in exceptional circumstances or where otherwise mutually agreed or in the case of repair and maintenance work.

(b) Transport expenses and travelling time payment

An employee who is transferred to another site on which he/she qualifies for accommodation allowance shall be entitled to transport expenses and travelling time for the journey from the original site to the new site calculated in accordance with NAECI 9.4.

### 16.2 STATUTORY NOTICE

After 4 weeks (or more) continuous employment, notice of termination of employment shall be given in accordance with the provisions of the Employment Rights Act 1996.

(a) By the employer:

- (i) After 4 weeks but less than 2 years of continuous employment - 1 week's notice.
- (ii) After 2 years of continuous employment - 2 weeks' notice.
- (iii) Thereafter 1 week of notice for each year of continuous employment up to a maximum of 12 weeks.

(b) By the employee:

After 4 weeks of continuous employment - 1 week's notice.

Notice given by either party shall normally run from the final day of the employee's basic working week. For example, where the basic working week is Monday to Friday, notice shall normally run Friday to Friday. Specific notice provisions for rolling shifts may be found in NAECI 7.3.2(f) and (g). Notice does not apply to summary dismissal for gross misconduct.

### 16.3 REDUNDANCY CONSULTATION

- (a) Where a redundancy situation arises the employer shall commence consultation with the relevant signatory trades unions in line with statutory requirements, or as soon as reasonably practicable thereafter given the short-term changes in circumstances commonly experienced in engineering construction.
- (b) Arrangements for collective consultation do not remove any separate, legal requirement for individual consultation.

### 16.4 REDUNDANCY SELECTION

- (a) The employer shall consult the signatory trades unions on its proposed selection pool(s) and selection criteria as part of any collective consultation arrangements under NAECI 16.3(a).

- (b) The first consideration will be the need to maintain a balanced and productive workforce composed of employees whom management considers have the skills and experience most appropriate to the company's needs.
- (c) Selection shall be based on the particular contract where employees included in a selection pool are currently employed, except where the written offer of employment, contract of employment and/or statutory statement of employment particulars issued by the employer either:
  - (i) Expressly provides that an employee is employed specifically on a transferable basis operating across a number of contracts in a defined area. In such cases, that area shall be regarded as the 'contract' for the above purposes; or
  - (ii) Expressly sets out a specifically defined alternative to selection on a contract basis (including an unambiguous statement explicitly excluding selection on a contract basis under either (c) or (c)(i) above).
- (d) A particular selection criterion may not be used if, either generally or in the specific circumstances where its application is being proposed, it contravenes the requirements of United Kingdom employment, labour relations or discrimination law.
- (e) Length of service with the employer may form part of the redundancy selection process where it is lawful to do so - for example:
  - (i) Where the short-term nature of employment makes it genuinely impracticable for an employer to establish an alternative basis for differentiating between individuals; or
  - (ii) To differentiate between 2 individuals who are awarded equal scores under an objective selection matrix operated in accordance with (f) below.
- (f) Where an employer is proposing to base selection for redundancy on the performance of individual employees against a matrix of factors, it should take reasonable steps to demonstrate during consultation that:
  - (i) The selection criteria and scoring systems set out in the matrix are objective and/or verifiable. Examples of such criteria include (but need not be limited to):
    - Attendance
    - Timekeeping
    - Disciplinary record
    - Job knowledge/skills
    - Relevant qualifications/training
    - Assisting/developing/training others
    - Measurable quality
    - Health and safety
  - (ii) Where an individual does not agree with a decision to select him/her for redundancy, he/she shall have access to a company appeals procedure.
- (g) After due consultation, management will prepare a list of the names of the employees to be made redundant in accordance with the above provisions and will notify them accordingly. The list will then be made available to the shop stewards.
- (h) Individual companies shall have the opportunity of registering redundancy procedures established in accordance with the above provisions with the NJC.
- (i) Further dismissal appeal provisions are set out in NAECI 15.8.



## 16.5 REDUNDANCY PAYMENTS

### (a) Contractual severance payment

Upon termination of employment because of redundancy a contractual severance payment will be made for each complete week of continuous employment up to a maximum of 103 weeks at the rate in NAECI Appendix A.7(c).

The NJC will be responsible for any recalculation of the values and the base data used for the recalculation will be the current statutory cap on a "week's pay" as used in the calculation of statutory redundancy pay.

Following any announcement by the Government of changes to the level of the "week's pay" figure, the NJC will recalculate contractual severance payment rates and promulgate them. The revised severance payments shall be implemented by employers on either:

(i) The implementation date of the Statutory Payment change;

or

(ii) 4 weeks after the Government's announcement of the change, whichever is the latter.

### (b) Statutory redundancy pay

The entitlement to a contractual severance payment ceases upon qualifying for statutory redundancy pay on the completion of 2 years service.

### (c) Redundancies only

Employees who are transferred by their employer to another contract are entitled to the contractual severance payment for the whole period of employment (or statutory redundancy pay where the period of employment exceeds 2 years) upon their eventual redundancy but not at the time of transfer.

### (d) No other redundancy payments

Other than either the contractual severance payment for employees with less than 2 years service, or statutory redundancy pay for employees with more than 2 years service, no other redundancy payments of any sort shall be made.

### (e) Taxation

By arrangement with HM Revenue & Customs redundancy payments made strictly in accordance with this standard scheme upon genuine redundancy, as defined in the Employment Rights Act 1996, will not be subject to income tax. Therefore employees who leave voluntarily or who are dismissed for reasons other than redundancy are not entitled to the contractual severance/statutory redundancy payment nor to the tax concession applying to it.

## 16.6 OTHER ENTITLEMENTS ON TERMINATION OF EMPLOYMENT

### (a) Transport expenses and travelling time payment

On the non-voluntary termination of employment on 'away contracts' employees qualifying for accommodation allowance under NAECI 9.2 shall be entitled to transport expenses and travelling time payment calculated in accordance with NAECI 9.4.

### (b) Holidays - in lieu payment

Any holiday payment due on termination of employment shall be calculated in accordance with the provisions of NAECI 10.11.

## 17. SALARIED STATUS

### 17.1 PURPOSE

NAECI 17 sets out an approved basis for employers to make an offer of salaried terms and conditions to qualifying in-scope employees, including:

- (a) A salary (payable weekly, fortnightly, 4 weekly or monthly) consistent with NAECI hourly rates for normal working hours;
- (b) The option to enhance one or more deferred/indirect employee benefits, namely pensions, welfare benefits, notice periods and/or redundancy payments.

The purpose of these provisions is to help employers reward loyalty and performance; to enhance employees' status and security; to increase the industry's ability to attract and retain able and motivated people; and to help improve further the industry's workplace culture, employment relations, competitiveness and productivity.

### 17.2 QUALIFYING FOR SALARIED STATUS

An employer's salaried status scheme shall include a full description in writing of:

- (a) The contract(s) and/or category/ies of employee to which the scheme is intended to apply; and
- (b) The process through which, in any particular case, the decision whether or not to offer salaried status to a particular individual shall be made, and the person, or persons, who shall be responsible for making that decision.
- (c) The scheme shall also define in writing any specific qualifying conditions that an individual shall be required to fulfil before being offered salaried status under the scheme. These conditions may include (but need not be limited to):
  - (i) A specified minimum qualifying period of continuous employment;
  - (ii) A condition that the employee should cooperate with an individual employee assessment system operated by the employer, and achieve, or surpass, a defined level of performance under that system, before he or she may be offered salaried status; and/or
  - (iii) Any transitional provisions that shall apply during the initial phasing-in period of the scheme.

### 17.3 APPLICATION OF NAECI TERMS AND CONDITIONS TO SALARIED EMPLOYEES

Employees who accept an offer of salaried status in accordance with this Section shall receive a comprehensive written contract of employment and/or statutory statement of employment particulars from their employer, setting out the terms and conditions applicable to their employment.

Detailed provisions concerning the application of specific NAECI terms and conditions to such employees are set out in NAECI 17.4 to 17.8.

### 17.4 GENERAL PRINCIPLE

All NAECI terms and conditions shall continue to apply in full to employees who have

accepted an offer of salaried status in accordance with NAECI 17, except where varied under the terms of the employer's salaried status scheme in accordance with NAECI 17.5 to 17.8 below.

## 17.5 BASE SALARY

### (a) Salary figures

The base salary payable must be fully consistent with the applicable NAECI National Guaranteed hourly rates. Salary figures derived from the equivalent annual, monthly, 4-weekly, fortnightly and weekly values of these rates for basic working hours, along with the hourly values of supplements payable for shift working and/or Categorized Work are set out in NAECI Appendix A.9.

### (b) Payment of salary

The applicable salary shall be paid to the employee in equal instalments weekly, fortnightly, 4-weekly or monthly (as specified in the terms of the scheme), except where:

- (i) Part-time employment is arranged in accordance with NAECI 7.1(e), or agreed short time is worked as an alternative to redundancy in accordance with NAECI 8.1(c)(ii).
- (ii) The NAECI guarantee provisions are suspended in accordance with NAECI 8.1(e).
- (iii) The employee is absent from work owing to sickness (in which case see the provisions of NAECI 17.7(b), below).
- (iv) The employee is absent from work owing to strike or similar industrial action, an unauthorised 'sympathy' stoppage, or otherwise without permission. For these purposes, a salaried employee shall be treated in the same way as an hourly paid employee, with a proportionate deduction being made from a subsequent salary payment in respect of the total number of normal working hours lost.
- (v) Specific company and/or statutory payment provisions exist covering matters not regulated by the NAECI - for example, parental leave, maternity leave and adoption leave.

## 17.6 RADIUS ALLOWANCE AND RELATED PAYMENTS

The employer's salaried status scheme shall specify whether salaried employees shall remain entitled to radius allowance and related payments under NAECI 9.1 and 9.3(c)(ii), and if not what alternative or compensatory arrangements shall be made.

## 17.7 INDIRECT/DEFERRED EMPLOYEE BENEFITS

### (a) Pension arrangements

The employer's salaried status scheme shall provide either that salaried employees shall continue to have access to the ECI Stakeholder Scheme in accordance with NAECI 11.1, or that they shall be offered membership of a pension scheme nominated by their employer which provides benefits at least as favourable as those available under the ECI Stakeholder Scheme (see NAECI Appendix A.7(a)).

### (b) Welfare benefits

The scheme shall make provision for welfare benefits for salaried employees that are at least as favourable as those set out in NAECI Appendix A.7(b).

(c) Statutory notice

The scheme may require the employer and/or the salaried employee to provide longer notice of termination of employment than the minimum statutory notice periods set out in NAECI 16.2.

(d) Redundancy payments

The scheme shall make provision for redundancy payments for salaried employees that are at least as favourable as those set out in NAECI 16.5.

## 17.8 GRIEVANCE/DISPUTES

Grievances or disputes involving salaried employees shall be dealt with under:

- (a) The company's domestic grievance procedure, where the grievance/dispute relates to a particular provision of the employer's salaried status scheme developed in accordance with NAECI 17.
- (b) NAECI 14 where the grievance/dispute relates to NAECI terms and conditions.

Where there is genuine doubt or disagreement about whether a particular matter falls within (a) or (b) above, this issue may be referred to a Stage 2 Site Meeting for resolution (see further NAECI 14.6(a)).

Any issue that arises shall be dealt with under NAECI 14.

## 17.9 GUIDANCE

From time to time, the NJC may publish further directions or guidance on the implementation and operation of employers' salaried status schemes.

# Part 2: Categorised Work

## 18. CATEGORISATION

### 18.1 CATEGORISED WORK

The concept of categorisation permits the appropriate application of the NAECI to each of the following specific work sectors:

- (a) Category 1: Major New Construction Projects.
- (b) Category 2: Long Term Repair and Maintenance Operations.
- (c) Category 3: Major Events.

### 18.2 WAGE RATES ON CATEGORISED WORK

Basic, shift and overtime rates payable on Categorised Work are set out in NAECI Appendix A.8 (for details of National Guaranteed Rates see NAECI Appendix A.2).

## 19. INCENTIVE BONUS ARRANGEMENTS ON CATEGORISED WORK

### 19.1 PURPOSE

Employers may introduce incentive bonus arrangements on Categorised Work to encourage and reward improvements to working practices or the achievement of specific agreed targets or objectives. On Categorised Work, any incentive bonus arrangements established by an employer shall take the form of either:

- (a) a fixed productivity allowance only (see NAECI 19.2 below); or
- (b) a performance-based payments arrangement, with or without a fixed element (see NAECI 19.3 below).

### 19.2 FIXED PRODUCTIVITY ALLOWANCE

- (a) Definition

A fixed productivity allowance is a locally negotiated fixed payment, established to reward agreed improvements to working practices and/or productivity levels. The fixed productivity allowance is payable for all hours worked.

- (b) Upper payment limits

The upper payment limits for a fixed productivity allowance on Categorised Work are set out in NAECI Appendix A.8(c)(iii).

## 19.3 PERFORMANCE-BASED PAYMENTS

(a) Definition

Performance-based payments are locally negotiated payments established to encourage and reward one or more of the following:

- (i) Achievement of specific agreed measured productivity and/or quality targets; and/or
- (ii) Achievement of specific agreed milestones; and/or
- (iii) Compliance with such other agreed targets, key performance indicators, practices or conditions as are determined locally to be most likely to contribute to the achievement of specific project, site, event or contract objectives.

Earnings under a performance-based payments arrangement shall vary according to performance against these agreed targets/objectives.

(b) Upper payment limits

The upper payment limits for performance-based payments on Categorised Work (including any incorporated fixed element) are set out in NAECI Appendix A.8(c)(iv).

(c) Payment periods

The rules governing a performance-based payments arrangement shall define the period(s) over which payment(s) is/are to be calculated and (subject to fulfilment of the relevant conditions) paid. Provision may be made for one or more of the following:

- (i) Payment(s) made periodically (as defined in the rules); and/or
- (ii) Payment(s) made when the employer either transfers the employee permanently away from the project/site/event/contract covered by the performance-based payments arrangement, or terminates his/her employment; and/or
- (iii) Payment(s) made on the achievement of particular agreed targets, objectives or milestones, up to and including project/event/contract completion.

(d) Forfeiting payment

Performance-based payments, which would otherwise have been payable under (c)(i), (ii) and/or (iii) above, will automatically be forfeited, for the individual, for the monthly audit period in question, in the event of:

- (i) The employee taking unauthorised absence; and
- (ii) The employee leaving his/her employment before termination by the employer.

(e) Automatic Forfeiture following Unprocedural Action

The Parties encourage the workforce to minimise unprocedural action by channelling concerns into the appropriate forum for resolution - the NJC Procedure.

Performance-based payments will also be automatically forfeited on a by contractor/by site basis in the event of unprocedural action or any other unauthorised stoppage of work (as detailed below).

- (i) Where there is an incident of unprocedural action or an unauthorised stoppage in the first half of the monthly audit period, the performance-based payment for *the first half* of that monthly audit period will be forfeited. Provided there is a return to normal productive working, the performance-based payment may

be earned and paid, subject to the agreed criteria in the IBA, for the second half of the audit period.

- (ii) Where there is an incident of unprocedural action or an unauthorised stoppage of work in the second half of the monthly audit period, the performance-based payment for *that half* of the audit period will be forfeited. Provided there is a return to normal productive working for the remainder of the audit period, the performance-based payment for the first half of the audit period may be earned and paid, subject to the agreed criteria in the IBA.
- (iii) Where there is more than one incident of unprocedural action or more than one unauthorised stoppage of work in the monthly audit period then the whole of the performance-based payment for the whole audit period will be forfeited.
- (iv) Where unprocedural action or unauthorised stoppages occur over two separate adjacent monthly audit periods, then these would be treated as separate incidents and the payments for each monthly audit period would be subject to the conditions above.

*Note: 4 times a year the monthly audit period will be 5 weeks long. In these circumstances the first half of the audit period will end at lunchtime on the Wednesday of the third week.*

## 19.4 ISSUES ARISING

Issues arising from the detailed operation of incentive bonus arrangements on Categorised Work should be resolved locally. Any grievances and/or failures to agree about the principles or operation of an incentive bonus arrangement may be referred to the NJC Finance & General Purposes Committee for determination of the appropriate procedure to be applied. An issue raised under this Section shall be dealt with speedily and the principles of NAECI 14.2 ('Normal Working') shall be observed.

## 19.5 EXISTING INCENTIVE BONUS ARRANGEMENTS

Existing incentive bonus arrangements (i.e. fixed second tier and/or PPIS) operated in accordance with the NAECI on Categorised Work prior to 4 June 2007 shall remain unaltered and in force unless and until varied by agreement in accordance with NAECI 19.1 to 19.3 above.

# 20. ADDITIONAL EMPLOYMENT RELATIONS SUPPORT FOR SELECTED CATEGORISED WORK

## 20.1 NOTIFICATION

Signatory organisations are required to report impending significant projects and contracts as early as possible, using the Notification of Work Form in Annex A of Appendix D. Prompt notification will assist the parties to satisfy their mutual obligations and for each to fulfil their share of responsibility, by encouraging consultation on additional employment relations support through the NJC to be undertaken in a timely manner.

## 20.2 CONSULTATION

The NJC may consult a client and/or the managing/main contractor(s) to discuss a forthcoming Major New Construction Project or a Major Event, or Long Term Repair and Maintenance Operations, and with them decide whether the work in question might benefit from additional employment relations support.

## 20.3 LOCAL NEGOTIATIONS AND NJC APPROVAL

Where it is proposed to provide additional employment relations support, the local parties shall normally consult on and negotiate the terms of a local agreement, namely:

- (a) A Supplementary Project Agreement ('SPA'), in the case of Major New Construction Projects (see NAECI Appendix D, Annex B for a model SPA).
- (b) A Long Term Repair and Maintenance Agreement, in the case of Long Term Repair and Maintenance Operations.
- (c) A Major Event Agreement, in the case of Major Events (subject to NAECI 20.4(c) below).

The terms of a local agreement, including any incentive bonus arrangement, shall normally be negotiated by representatives of the main contractor(s) and employers of in-scope employees on the project/site/event in question (assisted by the ECIA Regional Employment Relations Executive) and the local full time officers of the signatory trades unions.

It is the function of the NJC Regional Operations Manager to guide the parties in ensuring that the proposals under negotiation are in accordance with the NAECI. The NJC Regional Operations Manager may also assist the local parties in the preparation and development of the local agreement.

On completion of negotiations, the local agreement will be referred to the NJC for final approval before implementation on site. All subsequent amendments will require NJC approval.

## 20.4 PROVISIONS APPLICABLE TO SPECIFIC CATEGORIES

- (a) Major New Construction Projects
  - (i) NJC criteria

In determining whether additional employment relations support is appropriate for a particular Major New Construction Project, the NJC will consider amongst other things:

- The size of the project and the anticipated number of in scope employees employed at peak.
- The expected duration of the project.
- The number of contractors involved.
- The proportion of NAECI in-scope work relative to work outside of scope (e.g. civil engineering, building services, etc.) on the same project or related projects.
- The level of commitment by the client and/or its managing/main contractor(s) to uphold all aspects of the NAECI on the project.
- The significance of any employment relations issues likely to arise on the project in relation to other projects or to the industry generally.

- (ii) Existing projects

Additional employment relations support may be established for an existing project (taking into account the above criteria), subject to consultation between the NJC and the client and/or its managing/main contractors.



## (iii) Inductions

It is good practice to induct employees who are new to a Major New Construction Project. Clients, where appropriate, and contractors should work together to provide an induction which gives the necessary information to allow an employee to operate safely and productively on the project.

Trades unions' representatives shall be invited to contribute to the induction courses, which may also include:

- Safe working practices and site safety regulations.
- Familiarisation with the NAECI, the local agreement and, in particular, the procedure to be followed in the event of grievances/disputes (NAECI 14).
- The main rules and requirements of any incentive bonus arrangement (NAECI 19 refers).
- The ECI Stakeholder Pension Scheme (NAECI 11.1).

NAECI 8.2(a) defines the wages payable during induction training.

## (iv) Independent auditor

In order to ensure harmonious employment relations and full compliance with NAECI terms and conditions on Major New Construction Projects, NJC approval under NAECI 20.3 above will normally be conditional on the SPA providing for the appointment of an independent auditor.

Where a managing/main contractor considers that the circumstances of a particular Major New Construction Project mean that the appointment of an independent auditor is uneconomic or otherwise unnecessary, it shall specify its full reasons and any alternative proposals when submitting the SPA for NJC approval. In such circumstances the NJC will need to be convinced that there is merit in approving a SPA which does not include the appointment of an independent auditor.

A guide to the Independent Audit can be found in Annex D of Appendix D.

## (b) Long Term Repair and Maintenance Operations

## (i) Existing Repair and Maintenance Agreements

Repair and Maintenance Agreements approved previously by the NJC, shall be given the opportunity to continue, without amendment, while being able to develop over time in line with the principles embodied within the NAECI.

## (ii) Minor projects and events

In order to improve the prospects for long-term continuity of employment for the employer and its employees and to help eliminate peaks and troughs in workload, new build, refurbishment, minor modification projects and minor events may be included in the scope of Long Term Repair and Maintenance Agreements.

## (iii) Major New Construction Projects

Where a significant stand alone new build project is proposed, the client may ring fence it for the period of construction and seek to regulate it separately through the NJC as a Major New Construction Project. Upon completion the terms and conditions of the Long Term Repair and Maintenance Agreement will apply.

(iv) Limited dispensation for non-UK terms and conditions on short-term contracts  
Where:

1. A Long Term Repair and Maintenance Agreement is in place; and
2. It is proposed to engage one or more non-UK contractor(s) to perform contract(s) that would otherwise fall within the scope of that Agreement; and
3. The non-UK contractor(s) propose to post employees from overseas to the UK on their normal (non-UK) terms and conditions of employment; and
4. The contract(s) in question is/are of only short-term duration; and
5. The Long Term Repair and Maintenance Agreement does not already include a specific exemption covering circumstances of this sort. An application may be made in advance to the NJC for a dispensation from the application of NAECI and Long Term Repair and Maintenance Agreement terms and conditions to the employer(s), employees and contract(s) concerned, without otherwise affecting the ongoing status, application or validity of the NAECI or the Long Term Repair and Maintenance Agreement on the site.

(c) Major Events where a Long Term Repair and Maintenance Agreement is in place

Where a Long Term Repair and Maintenance Agreement under the NAECI exists on an operating plant, the terms and conditions for a Major Event may either be incorporated within that Agreement or regulated separately under a Major Event Agreement. The fullest prior consultation will take place between signatory employer and trades union representatives.

(d) Major Events on other sites

In order to help achieve stable employment relations on those operating plants where a Long Term Repair and Maintenance Agreement does not exist, employers are encouraged to support consultation about and negotiation of structured arrangements under the NAECI for Major Events.



# Part 3: Appendix A

## SCHEDULE OF RATES AND ALLOWANCES

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## A.1 CONDITIONS OF THE 2013 – 2015 SETTLEMENT

Subject to NAECI 16.5(a) it is a condition of the 2013 – 2015 NAECI settlement that there will be no further improvements in the rates, benefits or any other terms and conditions of the NAECI beyond those agreed in this settlement prior to Monday 4th January 2016.

## A.2 NATIONAL GUARANTEED RATES OF PAY (NAECI 6.2) (FORMERLY CATEGORY 4)

(a) For graded employees (NAECI 5.4.2)

**From Monday 7 January 2013**

National Guaranteed Rates for graded employees	Grade 1 Adult	Grade 1 16/17 years	Grade 2 Adult	Grade 2 16/17 years	Grade 3 Adult	Grade 3 16/17 years	Grade 4	Grade 5	Grade 6
<b>Basic rate/day work</b>	£8.65	£6.71	£9.92	£7.63	£11.24	£8.65	£13.18	£13.83	£14.47
<b>Night shift</b>	£10.96	£8.49	£12.56	£9.68	£14.23	£10.96	£16.71	£17.52	£18.33
<b>Afternoon shift</b>	£10.21	£7.92	£11.73	£9.01	£13.24	£10.21	£15.56	£16.31	£17.08
<b>Double day shift:</b>									
- mornings	£10.04	£7.77	£11.54	£8.86	£13.03	£10.04	£15.28	£16.03	£16.81
- afternoons	£10.73	£8.30	£12.32	£9.48	£13.93	£10.73	£16.37	£17.14	£17.94
<b>3 shifts:</b>									
- 5 days	£10.61	£8.21	£12.14	£9.34	£13.76	£10.61	£16.15	£16.91	£17.72
- 7 days	£10.73	£8.30	£12.32	£9.48	£13.93	£10.73	£16.37	£17.14	£17.94
<b>Rolling shifts:</b>									
- days	£10.39	£8.04	£11.92	£9.17	£13.49	£10.39	£15.83	£16.58	£17.37
- nights	£11.40	£8.86	£13.12	£10.09	£14.82	£11.40	£17.40	£18.26	£19.12
<b>Overtime</b>									
- Rate 'A'	£12.12	£9.37	£13.89	£10.69	£15.72	£12.12	£18.45	£19.35	£20.25
- Rate 'B'	£15.59	£12.07	£17.87	£13.74	£20.22	£15.59	£23.73	£24.87	£26.05

**From Monday 6 January 2014**

<b>National Guaranteed Rates for graded employees</b>	<b>Grade 1 Adult</b>	<b>Grade 1 16/17 years</b>	<b>Grade 2 Adult</b>	<b>Grade 2 16/17 years</b>	<b>Grade 3 Adult</b>	<b>Grade 3 16/17 years</b>	<b>Grade 4</b>	<b>Grade 5</b>	<b>Grade 6</b>
<b>Basic rate/day work</b>	£8.85	£6.86	£10.15	£7.81	£11.50	£8.85	£13.48	£14.15	£14.80
<b>Night shift</b>	£11.21	£8.69	£12.85	£9.90	£14.56	£11.21	£17.09	£17.92	£18.75
<b>Afternoon shift</b>	£10.44	£8.10	£12.00	£9.22	£13.54	£10.44	£15.92	£16.69	£17.47
<b>Double day shift:</b>									
- mornings	£10.27	£7.95	£11.81	£9.06	£13.33	£10.27	£15.63	£16.40	£17.20
- afternoons	£10.98	£8.49	£12.60	£9.70	£14.25	£10.98	£16.75	£17.53	£18.35
<b>3 shifts:</b>									
- 5 days	£10.85	£8.40	£12.42	£9.55	£14.08	£10.85	£16.52	£17.30	£18.13
- 7 days	£10.98	£8.49	£12.60	£9.70	£14.25	£10.98	£16.75	£17.53	£18.35
<b>Rolling shifts:</b>									
- days	£10.63	£8.22	£12.19	£9.38	£13.80	£10.63	£16.19	£16.96	£17.77
- nights	£11.66	£9.06	£13.42	£10.32	£15.16	£11.66	£17.80	£18.68	£19.56
<b>Overtime:</b>									
- Rate 'A'	£12.40	£9.59	£14.21	£10.94	£16.08	£12.40	£18.87	£19.80	£20.72
- Rate 'B'	£15.95	£12.35	£18.28	£14.06	£20.69	£15.95	£24.28	£25.44	£26.65

## From Monday 5 January 2015

National Guaranteed Rates for graded employees	Grade 1 Adult	Grade 1 16/17 years	Grade 2 Adult	Grade 2 16/17 years	Grade 3 Adult	Grade 3 16/17 years	Grade 4	Grade 5	Grade 6
<b>Basic rate/day work</b>	£9.13	£7.08	£10.48	£8.06	£11.87	£9.13	£13.91	£14.60	£15.28
<b>Night shift</b>	£11.57	£8.97	£13.26	£10.22	£15.03	£11.57	£17.64	£18.50	£19.35
<b>Afternoon shift</b>	£10.78	£8.36	£12.39	£9.52	£13.97	£10.78	£16.43	£17.23	£18.03
<b>Double day shift:</b>									
- mornings	£10.60	£8.21	£12.19	£9.35	£13.76	£10.60	£16.13	£16.93	£17.75
- afternoons	£11.33	£8.76	£13.00	£10.01	£14.71	£11.33	£17.29	£18.09	£18.94
<b>3 shifts:</b>									
- 5 days	£11.20	£8.67	£12.82	£9.86	£14.53	£11.20	£17.05	£17.86	£18.71
- 7 days	£11.33	£8.76	£13.00	£10.01	£14.71	£11.33	£17.29	£18.09	£18.94
<b>Rolling shifts:</b>									
- days	£10.97	£8.48	£12.58	£9.68	£14.24	£10.97	£16.71	£17.50	£18.34
- nights	£12.03	£9.35	£13.85	£10.65	£15.65	£12.03	£18.37	£19.28	£20.19
<b>Overtime:</b>									
- Rate 'A'	£12.80	£9.90	£14.67	£11.29	£16.60	£12.80	£19.48	£20.44	£21.39
- Rate 'B'	£16.46	£12.75	£18.87	£14.51	£21.35	£16.46	£25.06	£26.26	£27.51

(b) Directly employed apprentices

- (i) The following provisions confirm the rates of pay, incentive bonus payments and allowances applicable to apprentices employed on in-scope work. They apply to:

Non-ECITB apprentices (e.g. apprentices trained under bona fide company training schemes to ECITB Apprenticeship Scheme standards such as SEMTA).

ECITB apprentices, directly employed by contractors on in-scope work under the ECITB Apprenticeship Scheme (in accordance with grant support) who have completed their period in a training centre and have moved on to site. In the first 12 months after leaving the training centre ECITB apprentices are entitled, when employed on in-scope work, to receive the applicable 2nd Year rates set out in the tables below. Individuals shall qualify for the applicable 3rd Year rates on in-scope work after a further year's apprenticeship, and for 4th Year rates one year after that.

- (ii) Apprentices employed on in-scope work may be paid in the 3rd Year of the apprenticeship up to 25% of the incentive bonus payment applicable to Grade 4 (Craft) employees and in the 4th Year up to 50% (the applicable provisions of NAECI Appendix A.2(c) and A.8(c) refer).

From Monday 5 January 2015:

Apprentices employed on NAECI work shall be paid in the 3rd Year of apprenticeship up to 25% of the incentive bonus payment applicable to Grade 4 Craft employees and in the 4th Year up to 50% (the applicable provisions of NAECI A.2(c) and A.8(c) refer).

- (iii) Apprentices employed on in-scope work shall also be entitled to accommodation and radius allowance, where applicable, in accordance with established NAECI practice.

**From Monday 7 January 2013**

<b>National Guaranteed Rates for directly employed apprentices</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>
<b>Basic rate/day work</b>	£5.98	£7.74	£9.57	£11.17
<b>Night shift</b>	£7.56	£9.80	£12.10	£14.16
<b>Afternoon shift</b>	£7.05	£9.15	£11.27	£13.19
<b>Double day shift:</b>				
- mornings	£6.92	£9.01	£11.09	£12.98
- afternoons	£7.42	£9.61	£11.84	£13.85
<b>3 shifts:</b>				
- 5 days	£7.31	£9.49	£11.72	£13.66
- 7 days	£7.42	£9.61	£11.84	£13.85
<b>Rolling shifts:</b>				
- days	£7.15	£9.29	£11.46	£13.41
- nights	£7.89	£10.24	£12.60	£14.76
<b>Overtime:</b>				
- Rate 'A'	£8.36	£10.85	£13.38	£15.65
- Rate 'B'	£10.74	£13.94	£17.20	£20.13



## From Monday 6 January 2014

National Guaranteed Rates for directly employed apprentices	1st Year	2nd Year	3rd Year	4th Year
<b>Basic rate/day work</b>	£6.12	£7.92	£9.79	£11.43
<b>Night shift</b>	£7.73	£10.03	£12.38	£14.49
<b>Afternoon shift</b>	£7.21	£9.36	£11.53	£13.49
<b>Double day shift:</b>				
- mornings	£7.08	£9.22	£11.35	£13.28
- afternoons	£7.59	£9.83	£12.11	£14.17
<b>3 shifts:</b>				
- 5 days	£7.48	£9.71	£11.99	£13.97
- 7 days	£7.59	£9.83	£12.11	£14.17
<b>Rolling shifts:3</b>				
- days	£7.31	£9.50	£11.72	£13.72
- nights	£8.07	£10.48	£12.89	£15.10
<b>Overtime:</b>				
- Rate 'A'	£8.55	£11.10	£13.69	£16.01
- Rate 'B'	£10.99	£14.26	£17.60	£20.59

## From Monday 5 January 2015

National Guaranteed Rates for directly employed apprentices	1st Year	2nd Year	3rd Year	4th Year
<b>Basic rate/day work</b>	£6.32	£8.17	£10.10	£11.80
<b>Night shift</b>	£7.98	£10.35	£12.78	£14.96
<b>Afternoon shift</b>	£7.44	£9.66	£11.90	£13.92
<b>Double day shift:</b>				
- mornings	£7.31	£9.52	£11.71	£13.71
- afternoons	£7.83	£10.15	£12.50	£14.62
<b>3 shifts:</b>				
- 5 days	£7.72	£10.02	£12.37	£14.42
- 7 days	£7.83	£10.15	£12.50	£14.62
<b>Rolling shifts:</b>				
- days	£7.54	£9.80	£12.10	£14.16
- nights	£8.33	£10.82	£13.30	£15.58
<b>Overtime</b>				
- Rate 'A'	£8.82	£11.46	£14.13	£16.52
- Rate 'B'	£11.34	£14.72	£18.16	£21.25

- (c) Incentive bonus arrangements (National Guaranteed Rates only) (NAECI 6.3)
- (i) The following provisions must be read in conjunction with NAECI 6.3.
  - (ii) Subject to (iii)-(vi) below, the amounts payable under any incentive bonus arrangement established in accordance with NAECI 6.3 are to be determined locally.
  - (iii) The maximum amount payable under such an arrangement shall not exceed £2.40 per hour worked (and pro rata for all other employees as set out in (iv)-(vi) below).
  - (iv) Grades 4, 5 & 6: 100% of locally determined payment  
 Grade 3 (Adult): 80% of Grades 4, 5 and 6  
 Grade 2 (Adult): 70% of Grades 4, 5 and 6  
 Grade 1 (Adult): 60% of Grades 4, 5 and 6
  - (v) 16 and 17 year olds are to be paid 75% of the incentive bonus payment applicable to their grade.
  - (vi) Non-ECITB apprentices employed under the NAECI may be paid in the 3rd year of apprenticeship up to 25% of the incentive bonus payment applicable to Grade 4 (Craft) employees and in the 4th year up to 50%.
- From Monday 5 January 2015:  
 Apprentices employed on NAECI work shall be paid in the 3rd Year of apprenticeship up to 25% of the incentive bonus payment applicable to Grade 4 Craft employees and in the 4th Year up to 50%.

### **A.3 PROFICIENCY PAYMENTS FOR WELDING (NAECI 6.4)** **From Monday 7 January 2013**

<b>CATEGORY A</b>			
<b>Materials to be welded</b>	Any material in category B, C or D		
<b>Nature of Work</b>	Manual, semi-automatic or stud welding of non-pressure parts: e.g. casings or structural work.		
<b>Qualifying weld tests to be completed by each skilled employee and approved to:</b>	The satisfaction of the employer within the appropriate design and safety standards, but where the work does not require a test to be passed in accordance with BS EN 287/ASME IX or equivalent.		
<b>Proficiency payments in addition to the skilled basic rate in A2(a) or A8(a)</b>	From 07/01/13 None	From 06/01/14 None	From 05/01/15 None

<b>CATEGORY B</b>			
<b>Materials to be welded</b>	Carbon Steel		
<b>Nature of Work</b>	Welding of pressure parts, tubes, pipes, vessels or structural work.		
<b>Qualifying weld tests to be completed by each skilled employee and approved to:</b>	BS EN 287/ASME IX or equivalent.		
<b>Proficiency payments in addition to the skilled basic rate in A2(a) or A8(a)</b>	From 07/01/13 14p per hour	From 06/01/14 14p per hour	From 05/01/15 15p per hour

### CATEGORY C

<b>Materials to be welded</b>	Either ferritic alloy or austenitic steel (but not both)		
<b>Nature of Work</b>	Welding of pressure parts, tubes, pipes or vessels		
<b>Qualifying weld tests to be completed by each skilled employee and approved to:</b>	BS EN 287/ASME IX or equivalent for both materials.		
<b>Proficiency payments in addition to the skilled basic rate in A2(a) or A8(a)</b>	From 07/01/13	From 06/01/14	From 05/01/15
	21p per hour	22p per hour	23p per hour

### CATEGORY D

<b>Materials to be welded</b>	Both ferritic alloy and austenitic steel.		
<b>Nature of Work</b>	Welding of pressure parts, tubes, pipes or vessels		
<b>Qualifying weld tests to be completed by each skilled employee and approved to:</b>	BS EN 287/AMSE IX or equivalent for both materials.		
<b>Proficiency payments in addition to the skilled basic rate in A2(a) or A8(a)</b>	From 07/01/13	From 06/01/14	From 05/01/15
	32p per hour	33p per hour	34p per hour

### CATEGORY E

<b>Materials to be welded</b>	Any material in category B, C or D		
<b>Nature of Work</b>	Welding of pressure parts, tubes, pipes or vessels		
<b>Qualifying weld tests to be completed by each skilled employee and approved to:</b>	A0339 Build quality 1 and 2 weldments or equivalent for any material.		
<b>Proficiency payments in addition to the skilled basic rate in A2(a) or A8(a)</b>	From 07/01/13	From 06/01/14	From 05/01/15
	42p per hour	43p per hour	44p per hour

## A.4 RADIUS ALLOWANCE (NAECI 9.1)

From Monday 7 January 2013

BRACKET MILES		Scale 1			Scale 2
Over	Not exceeding	Taxed	Tax Free	TOTAL	
2	8	£0.00	£0.00	<b>£0.00</b>	£0.00
8	11	£2.44	£0.00	<b>£2.44</b>	£1.61
11	14	£4.00	£0.95	<b>£4.95</b>	£3.22
14	17	£6.48	£1.37	<b>£7.85</b>	£5.22
17	20	£7.20	£3.13	<b>£10.33</b>	£6.82
20	25	£8.31	£4.24	<b>£12.55</b>	£8.33
25	30	£9.20	£5.12	<b>£14.32</b>	£9.42
30	35	£9.94	£5.85	<b>£15.79</b>	£10.52
Over 35		£10.62	£6.55	<b>£17.17</b>	£11.51

From Monday 6 January 2014

BRACKET MILES		Scale 1			Scale 2
Over	Not exceeding	Taxed	Tax Free	TOTAL	
2	8	£0.00	£0.00	<b>£0.00</b>	£0.00
8	11	£2.50	£0.00	<b>£2.50</b>	£1.65
11	14	£4.09	£0.97	<b>£5.06</b>	£3.29
14	17	£6.63	£1.40	<b>£8.03</b>	£5.34
17	20	£7.37	£3.20	<b>£10.57</b>	£6.98
20	25	£8.50	£4.34	<b>£12.84</b>	£8.52
25	30	£9.41	£5.24	<b>£14.65</b>	£9.64
30	35	£10.17	£5.98	<b>£16.15</b>	£10.76
Over 35		£10.86	£6.70	<b>£17.56</b>	£11.77

From Monday 5 January 2015

BRACKET MILES		Scale 1			Scale 2
Over	Not exceeding	Taxed	Tax Free	TOTAL	
2	8	£0.00	£0.00	<b>£0.00</b>	£0.00
8	11	£2.58	£0.00	<b>£2.58</b>	£1.70
11	14	£4.22	£1.00	<b>£5.22</b>	£3.40
14	17	£6.84	£1.45	<b>£8.29</b>	£5.51
17	20	£7.61	£3.30	<b>£10.91</b>	£7.20
20	25	£8.77	£4.48	<b>£13.25</b>	£8.79
25	30	£9.71	£5.41	<b>£15.12</b>	£9.95
30	35	£10.50	£6.17	<b>£16.67</b>	£11.11
Over 35		£11.21	£6.91	<b>£18.12</b>	£12.15

## A.5 ACCOMMODATION ALLOWANCE (NAECI 9.2)

### From Monday 7 January 2013

(a) Daily and weekly rates

	From 07/01/13	From 06/01/14	From 05/01/15
<b>Daily rate</b>	£35.14	£35.95	£37.10
<b>Weekly rate</b>	£245.98	£251.65	£259.70

(b) Accommodation retainer for public holidays and periodic leave

	From 07/01/13	From 06/01/14	From 05/01/15
<b>Daily rate</b>	£10.32	£10.56	£10.90

(c) Accommodation retainer for annual holidays and sickness absence

	From 07/01/13	From 06/01/14	From 05/01/15
<b>Daily rate</b>	£5.94	£6.08	£6.28
<b>Weekly rate</b>	£41.58	£42.56	£43.96

## A.6 LONDON SUPPLEMENT (NAECI 9.3(b))

	From 07/01/13	From 06/01/14	From 05/01/15
<b>Daily rate</b>	£9.85	£10.08	£10.40
<b>Weekly rate</b>	£68.95	£70.56	£72.80

## A.7 OTHER PAYMENTS AND BENEFITS

(a) ECI Stakeholder Scheme - employee/employer weekly contributions (NAECI 11.1(d))

	From 07/01/13
<b>Minimum employee contribution (net of tax)</b>	£8.00
<b>Fixed employer contribution (to match employee contribution above)</b>	£10.00

**(b) Welplan Limited: Benefits schedule (NAECI 11.3)**

The levels of Benefits 1, 2.1 and 3 set out below first take effect on the dates indicated. Deaths occurring and periods of sickness commencing prior to any of the dates indicated shall continue to attract benefits calculated according to the levels of benefit applicable before that date. For these purposes the 8 week linking rule shall apply to the calculation of weekly sickness and accident benefit entitlement.

	<b>From 07/01/13</b>
<b>1. DEATH BENEFIT</b> <b>Death by any cause</b>	£30,000
<b>2. ACCIDENT LUMP SUM BENEFITS</b> <b>2.1 Accidental death</b> <b>Fatal Accident due to occupational or site accident (including accidents which occur whilst an operative is undertaking daily travel between home/lodgings and site and return)</b> <i>Note: Death benefit will be payable in addition to any Fatal Accident benefit that may become payable.</i>	£40,000
<b>3. CONDITIONAL DEATH BENEFIT</b> <b>Death by any cause</b> <b>ONLY payable providing there is NO related sympathy stoppage/walkout on any NAECI project or site</b>	£30,000

	<b>From 07/01/13</b>	
<b>4. DISABLEMENT</b> <b>Due to an occupational or site accident</b>		
<b>(a) Loss of sight - 1 eye</b> <b>- 2 eyes</b>	£10,000 £25,000	
<b>Total loss by amputation or permanent loss of use of:</b>		
<b>(b) i) 1 limb (hand, arm, foot or leg)</b>	£10,000	
<b>ii) 2 or more limbs</b>	£25,000	
<b>(c) Big toe</b>	£1,000	
<b>(d) Any other toe</b>	£500	
	<b>Right Hand</b>	<b>Left Hand</b>
<b>(e) 4 fingers or a thumb</b>	£2,000	£2,000
<b>(f) Index finger</b>	£1,250	£950
<b>(g) Any other finger</b> <i>Note: Payment in respect of a left handed person will be reversed where the claim is under items (f) or (g).</i>	£750	£450
<b>(h) Permanent total disablement from resuming any occupation for remuneration or reward</b>	£25,000 Payable after 52 weeks consecutive disability	

	From 07/01/13
<b>5. WEEKLY SICKNESS AND ACCIDENT BENEFIT</b> Weekly benefit payable for absence from work due to sickness or injury (excluding the first 7 days of absence from work):	
<b>Weeks 2 - 14 inclusive (all Grades)</b>	£122.79
<b>Weeks 15-27 inclusive:</b> - Grades 1-3 - Grades 4-6 <i>Benefit is payable for a maximum of 26 weeks in total</i>	£122.79 £213.59

Note: Statutory Sick Pay is in addition to the above provision.

### Maximum lump sum benefit formulae for any one employee

<b>Death due to any cause</b> <b>Death benefit</b>	Benefit 1
<b>Accidental death due to occupational or site accident</b> <b>Fatal Accident benefit</b> <b>Death benefit</b>	Benefit 2.1 and Benefit 1
<b>Accident NOT resulting in death</b> <b>Permanent Disablement benefit</b>	As per scale (Benefits 4(a) – (h)) up to a maximum for any one accident of £25,000

(c) Contractual severance payment (NAECI 16.5(a))

(i) For weeks of qualifying employment when the individual is aged 40 or below:

	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
<b>From 01/02/13</b> <b>Weekly rate of accrual (up to 103 weeks)</b>	£5.31	£6.21	£7.09	£8.44	£8.65	£8.65

(ii) For weeks of qualifying employment when the individual is aged 41 or older:

	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
<b>From 01/02/13</b> <b>Weekly rate of accrual (up to 103 weeks)</b>	£7.97	£9.32	£10.64	£12.67	£12.98	£12.98

Note: These rates (c) may be subject to increase following changes to statutory payment values. The NJC website contains up-to-date information about current values of contractual severance and A.7(b)5 weekly sickness and accident benefit payments.

## A.8 RATES OF PAY ON CATEGORISED WORK (1-3) (NAECI 18.2)

(a) For graded employees (NAECI 5.4.2)

**From Monday 7 January 2013**

Categorised Work Rates for graded employees	Grade 1 Adult	Grade 1 16/17 years	Grade 2 Adult	Grade 2 16/17 years	Grade 3 Adult	Grade 3 16/17 years	Grade 4	Grade 5	Grade 6
<b>Basic rate/day work</b>	£9.50	£7.34	£10.90	£8.41	£12.36	£9.50	£14.61	£15.25	£15.89
<b>Night shift</b>	£12.03	£9.28	£13.83	£10.63	£15.66	£12.03	£18.48	£19.29	£20.13
<b>Afternoon shift</b>	£11.20	£8.66	£12.89	£9.91	£14.61	£11.20	£17.25	£17.98	£18.76
<b>Double day shift:</b>									
- mornings	£11.04	£8.51	£12.66	£9.74	£14.35	£11.04	£16.95	£17.70	£18.43
- afternoons	£11.78	£9.11	£13.57	£10.43	£15.32	£11.78	£18.12	£18.89	£19.69
<b>3 shifts:</b>									
- 5 days	£11.63	£9.00	£13.36	£10.27	£15.15	£11.63	£17.89	£18.65	£19.45
- 7 days	£11.78	£9.11	£13.57	£10.43	£15.32	£11.78	£18.12	£18.89	£19.69
<b>Rolling shifts:</b>									
- days	£11.41	£8.80	£13.12	£10.08	£14.83	£11.41	£17.53	£18.30	£19.05
- nights	£12.54	£9.69	£14.44	£11.09	£16.33	£12.54	£19.28	£20.13	£20.98
<b>Overtime</b>									
- Rate 'A'	£13.30	£10.27	£15.29	£11.76	£17.34	£13.30	£20.45	£21.34	£22.25
- Rate 'B'	£17.09	£13.20	£19.65	£15.12	£22.29	£17.09	£26.29	£27.43	£28.61



## From Monday 6 January 2014

Categorised Work Rates for graded employees	Grade 1 Adult	Grade 1 16/17 years	Grade 2 Adult	Grade 2 16/17 years	Grade 3 Adult	Grade 3 16/17 years	Grade 4	Grade 5	Grade 6
<b>Basic rate/day work</b>	£9.72	£7.51	£11.15	£8.60	£12.64	£9.72	£14.95	£15.60	£16.26
<b>Night shift</b>	£12.31	£9.49	£14.15	£10.87	£16.02	£12.31	£18.91	£19.73	£20.59
<b>Afternoon shift</b>	£11.46	£8.86	£13.19	£10.14	£14.95	£11.46	£17.65	£18.39	£19.19
<b>Double day shift:</b>									
- mornings	£11.29	£8.71	£12.95	£9.96	£14.68	£11.29	£17.34	£18.11	£18.85
- afternoons	£12.05	£9.32	£13.88	£10.67	£15.67	£12.05	£18.54	£19.32	£20.14
<b>3 shifts:</b>									
- 5 days	£11.90	£9.21	£13.67	£10.51	£15.50	£11.90	£18.30	£19.08	£19.90
- 7 days	£12.05	£9.32	£13.88	£10.67	£15.67	£12.05	£18.54	£19.32	£20.14
<b>Rolling shifts:</b>									
- days	£11.67	£9.00	£13.42	£10.31	£15.17	£11.67	£17.93	£18.72	£19.49
- nights	£12.83	£9.91	£14.77	£11.35	£16.71	£12.83	£19.72	£20.59	£21.46
<b>Overtime:</b>									
- Rate 'A'	£13.61	£10.51	£15.64	£12.03	£17.74	£13.61	£20.92	£21.83	£22.76
- Rate 'B'	£17.48	£13.50	£20.10	£15.47	£22.80	£17.48	£26.89	£28.06	£29.27

**From Monday 5 January 2015**

<b>Categorised Work Rates for graded employees</b>	<b>Grade 1 Adult</b>	<b>Grade 1 16/17 years</b>	<b>Grade 2 Adult</b>	<b>Grade 2 16/17 years</b>	<b>Grade 3 Adult</b>	<b>Grade 3 16/17 years</b>	<b>Grade 4</b>	<b>Grade 5</b>	<b>Grade 6</b>
<b>Basic rate/day work</b>	£10.03	£7.75	£11.51	£8.88	£13.05	£10.03	£15.43	£16.10	£16.78
<b>Night shift</b>	£12.71	£9.79	£14.60	£11.22	£16.53	£12.71	£19.52	£20.36	£21.25
<b>Afternoon shift</b>	£11.83	£9.14	£13.61	£10.47	£15.43	£11.83	£18.22	£18.98	£19.81
<b>Double day shift:</b>									
- mornings	£11.65	£8.99	£13.37	£10.28	£15.15	£11.65	£17.90	£18.69	£19.46
- afternoons	£12.44	£9.62	£14.33	£11.01	£16.17	£12.44	£19.14	£19.94	£20.79
<b>3 shifts:</b>									
- 5 days	£12.28	£9.51	£14.11	£10.85	£16.00	£12.28	£18.89	£19.69	£20.54
- 7 days	£12.44	£9.62	£14.33	£11.01	£16.17	£12.44	£19.14	£19.94	£20.79
<b>Rolling shifts:</b>									
- days	£12.04	£9.29	£13.85	£10.64	£15.66	£12.04	£18.51	£19.32	£20.12
- nights	£13.24	£10.23	£15.24	£11.71	£17.25	£13.24	£20.35	£21.25	£22.15
<b>Overtime:</b>									
- Rate 'A'	£14.05	£10.85	£16.14	£12.42	£18.31	£14.05	£21.59	£22.53	£23.49
- Rate 'B'	£18.04	£13.93	£20.75	£15.97	£23.53	£18.04	£27.75	£28.96	£30.21

**(b) For directly employed apprentices (NAECI 5.4.4(a))**

- (i) The following provisions confirm the rates of pay, incentive bonus payments and allowances applicable to apprentices employed on in-scope work. They apply to:

Non-ECITB apprentices (e.g. apprentices trained under bona fide company training schemes to ECITB Apprenticeship Scheme standards such as SEMTA).

ECITB apprentices, directly employed by contractors on in-scope work under the ECITB Apprenticeship Scheme (in accordance with grant support) who have completed their period in a training centre and have moved on to site. In the first 12 months after leaving the training centre ECITB apprentices are entitled, when employed on in-scope work, to receive the applicable 2nd Year rates set out in the tables below. Individuals shall qualify for the applicable 3rd Year rates on in-scope work after a further year's apprenticeship, and for 4th Year rates one year after that.

- (ii) Apprentices employed on in-scope work may be paid in the 3rd Year of the apprenticeship up to 25% of the incentive bonus payment applicable to Grade 4 (Craft) employees and in the 4th Year up to 50% (the applicable provisions of NAECI A.2(c) and A.8(c) refer).

From Monday 5th January 2015:

Apprentices employed on NAECI work shall be paid in the 3rd Year of apprenticeship up to 25% of the incentive bonus payment applicable to Grade 4 Craft employees and in the 4th Year up to 50% (the applicable provisions of NAECI A.2(c) and A.8(c) refer).

- (iii) Apprentices employed on in-scope work shall also be entitled to accommodation and radius allowance, where applicable, in accordance with established NAECI practice.

## From Monday 7 January 2013

<b>Categorised Work Rates for directly employed apprentices</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>
<b>Basic rate/day work</b>	£6.00	£7.78	£10.00	£12.00
<b>Night shift</b>	£7.58	£9.86	£12.63	£15.20
<b>Afternoon shift</b>	£7.09	£9.19	£11.78	£14.17
<b>Double day shift:</b>				
- mornings	£6.97	£9.04	£11.57	£13.93
- afternoons	£7.45	£9.65	£12.39	£14.87
<b>3 shifts:</b>				
- 5 days	£7.34	£9.56	£12.25	£14.38
- 7 days	£7.45	£9.65	£12.39	£14.87
<b>Rolling shifts:</b>				
- days	£7.18	£9.34	£11.99	£14.42
- nights	£7.92	£10.28	£13.19	£15.86
<b>Overtime:</b>				
- Rate 'A'	£8.41	£10.89	£13.99	£16.81
- Rate 'B'	£10.81	£14.03	£17.98	£21.62

**From Monday 6 January 2014**

<b>Categorised Work Rates for directly employed apprentices</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>
<b>Basic rate/day work</b>	£6.14	£7.96	£10.23	£12.28
<b>Night shift</b>	£7.75	£10.09	£12.92	£15.55
<b>Afternoon shift</b>	£7.25	£9.40	£12.05	£14.50
<b>Double day shift:</b>				
- mornings	£7.13	£9.25	£11.84	£14.25
- afternoons	£7.62	£9.87	£12.67	£15.21
<b>3 shifts:</b>				
- 5 days	£7.51	£9.78	£12.53	£14.71
- 7 days	£7.62	£9.87	£12.67	£15.21
<b>Rolling shifts:</b>				
- days	£7.35	£9.55	£12.27	£14.75
- nights	£8.10	£10.52	£13.49	£16.22
<b>Overtime:</b>				
- Rate 'A'	£8.60	£11.14	£14.31	£17.20
- Rate 'B'	£11.06	£14.35	£18.39	£22.12

## From Monday 5 January 2015

<b>Categorised Work Rates for directly employed apprentices</b>	<b>1st Year</b>	<b>2nd Year</b>	<b>3rd Year</b>	<b>4th Year</b>
<b>Basic rate/day work</b>	£6.34	£8.22	£10.56	£12.67
<b>Night shift</b>	£8.00	£10.41	£13.33	£16.05
<b>Afternoon shift</b>	£7.48	£9.70	£12.44	£14.97
<b>Double day shift:</b>				
- mornings	£7.36	£9.55	£12.22	£14.71
- afternoons	£7.86	£10.19	£13.08	£15.70
<b>3 shifts:</b>				
- 5 days	£7.75	£10.09	£12.93	£15.18
- 7 days	£7.86	£10.19	£13.08	£15.70
<b>Rolling shifts:</b>				
- days	£7.59	£9.86	£12.66	£15.22
- nights	£8.36	£10.86	£13.92	£16.74
<b>Overtime:</b>				
- Rate 'A'	£8.88	£11.50	£14.77	£17.75
- Rate 'B'	£11.42	£14.81	£18.98	£22.83

- (c) Incentive bonus arrangements on Categorised Work (NAECI 19)
- (i) The following provisions must be read in conjunction with NAECI 19.
  - (ii) On Categorised Work, any incentive bonus arrangements established by an employer shall take the form of EITHER
    - (1) a fixed productivity allowance only (NAECI 19.2), OR
    - (2) a performance-based payments arrangement, with or without a fixed element (NAECI 19.3).

Subject to (iii)-(vii) below, the amounts payable under any such arrangement are to be determined locally.
  - (iii) The maximum amount payable under a fixed productivity allowance arrangement established in accordance with NAECI 19.2 shall not exceed £1.10 per hour worked (and pro rata for all other employees, as set out in (v)-(vii) below).
  - (iv) The maximum amount payable under a performance-based payments arrangement established in accordance with NAECI 19.3 shall not exceed £2.67 per hour worked (and pro rata for all other employees, as set out in (v) – (vii) below), incorporating a maximum fixed productivity element of £0.60 per hour worked (and pro rata for all other employees, as set out in (v) – (vii) below).
  - (v) Grades 4, 5 & 6: 100% of locally determined payment
    - Grade 3 (Adult): 80% of Grades 4, 5 and 6
    - Grade 2 (Adult): 70% of Grades 4, 5 and 6
    - Grade 1 (Adult): 60% of Grades 4, 5 and 6
  - (vi) 16 and 17 year olds are to be paid 75% of the incentive bonus payment applicable to their grade.
  - (vii) Apprentices employed under the NAECI may be paid in the 3rd year of apprenticeship up to 25% of the incentive bonus payment applicable to Grade 4 (Craft) employees and in the 4th year up to 50%.
 

From Monday 5th January 2015:

Apprentices employed on NAECI work shall be paid in the 3rd Year of apprenticeship up to 25% of the incentive bonus payment applicable to Grade 4 Craft employees and in the 4th Year up to 50%.
  - (viii) Existing incentive bonus arrangements (i.e. fixed second tier and/or PPIS) operated in accordance with the NAECI on Categorised Work prior to 4 June 2007 shall remain unaltered and in force unless and until varied by agreement in accordance with NAECI 19.1 to 19.3.

## A.9 SALARIED EMPLOYEES (NAECI 17.5)

### (a) Entitlement

Employees who accept an offer of salaried status from their employer in accordance with NAECI 17 shall be entitled to receive a monthly, 4 weekly, fortnightly or weekly salary calculated in accordance with the following provisions. This salary shall be payable for each such period (including periods of annual and/or public holiday) except where the provisions of NAECI 17.5(b) apply.

### (b) Base Salary

#### i) Salaried Employees permanently engaged on Categorized Work (1-3)

Periodic base salaries (i.e. for basic working hours) shall be derived from the following figures, which represent the annualised values of NAECI Categorized Work (1-3) basic hourly rates 2013, 2014 and 2015.

### From Monday 7 January 2013

Categorised Work Rates (1-3)	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
<b>Cats 1-3 Basic hourly rates</b>	£10.90	£12.36	£14.61	£15.25	£15.89
<b>Annualised base salary (38 hours x 52 weeks)</b>	£21,538.40	£24,423.36	£28,869.36	£30,134.00	£31,398.64

### From Monday 6 January 2014

Categorised Work Rates (1-3)	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
<b>Cats 1-3 Basic hourly rates</b>	£11.15	£12.64	£14.95	£15.60	£16.26
<b>Annualised base salary (38 hours x 52 weeks)</b>	£22,032.40	£24,976.64	£29,541.20	£30,825.60	£32,129.76

### From Monday 5 January 2015

Categorised Work Rates (1-3)	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
<b>Cats 1-3 Basic hourly rates</b>	£11.51	£13.05	£15.43	£16.10	£16.78
<b>Annualised base salary (38 hours x 52 weeks)</b>	£22,743.76	£25,786.80	£30,489.68	£31,813.60	£33,157.28

- (ii) Salaried employees permanently engaged on National Guaranteed Rates

Periodic base salaries (i.e. for basic working hours) shall be derived from the following figures, which represent the annualised values of NAECI National Guaranteed basic hourly rates 2013, 2014 and 2015.

### From Monday 7 January 2013

National Guaranteed Rates	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
<b>NGR basic hourly rates</b>	£9.92	£11.24	£13.18	£13.83	£14.47
<b>Annualised base salary (38 hours x 52 weeks)</b>	£19,601.92	£22,210.24	£26,043.68	£27,328.08	£28,592.72

### From Monday 6 January 2014

National Guaranteed Rates	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
<b>NGR basic hourly rates</b>	£10.15	£11.50	£13.48	£14.15	£14.80
<b>Annualised base salary (38 hours x 52 weeks)</b>	£20,056.40	£22,724.00	£26,636.48	£27,960.40	£29,244.80

### From Monday 5 January 2015

National Guaranteed Rates	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6
<b>NGR basic hourly rates</b>	£10.48	£11.87	£13.91	£14.60	£15.28
<b>Annualised base salary (38 hours x 52 weeks)</b>	£20,708.48	£23,455.12	£27,486.16	£28,849.60	£30,193.28



- (iii) Salaried employees normally engaged on National Guaranteed Rates, but transferred periodically onto Categorised Work

Periodic base salaries (i.e. for basic working hours) shall normally be derived from National Guaranteed Rates set out in (ii) above. These shall be enhanced, during the period of transfer onto Categorised Work, by a supplementary payment representing the difference between the applicable National Guaranteed Rate and Categorised Work basic hourly rates for that period.

*Example: Grade 5 salaried employee in receipt of 4 weekly salary derived from National Guaranteed Rates. Transferred onto Categorised Work rates during a 3 week Category 3 Event. 2013 rates applicable.*

<i>Base 4 weekly salary (annualised base salary divided by 13)</i>	<i>£2,102.16</i>
<i>PLUS</i>	
<i>Supplementary payment for Categorised Work ((Categorised Work basic rate – NGR basic rate) x (38 hrs x 3 wks))</i>	<i>£161.88</i>
<b><i>TOTAL SALARY (basic working hours only)</i></b>	<b><i>£2,264.04</i></b>

- (iv) Supplementary payments for shift working

Where a salaried employee is engaged either permanently or periodically on shift work, his/her base salary calculated as above shall be enhanced, during the period of shift working, by a supplementary payment representing the difference between the applicable basic and shift rates for that period.

*Example: Grade 5 salaried employee in receipt of 4 weekly salary derived from Categorised Work (1-3) rates. Engaged on permanent night shift. 2013 rates applicable.*

<i>Base 4 weekly salary (annualised base salary divided by 13)</i>	<i>£2,318.00</i>
<i>PLUS</i>	
<i>Supplementary payment for Night Shift ((Cats 1-3 night shift rate – Cats 1-3 basic rate) x (38 hrs x 4 wks))</i>	<i>£614.08</i>
<b><i>TOTAL SALARY (basic working hours only)</i></b>	<b><i>£2,932.08</i></b>

- (c) Other Payments

Salaried employees shall remain entitled to overtime, incentive bonus and welding proficiency payments, where applicable, in accordance with the relevant NAECI provisions.

In applying the holiday pay provisions of NAECI 10 to salaried employees, full account shall be taken of the fact that payment for annual and public holidays is already included in the calculation of periodic base salaries above.

- (d) Part Time Work

Where a salaried employee is engaged on a part time basis in accordance with NAECI 7.1(e), the salary figures listed above must be reduced pro rata.

# Part 3: Appendix B

## THE NATIONAL JOINT COUNCIL FOR THE ENGINEERING CONSTRUCTION INDUSTRY

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## **B.1 ESTABLISHMENT AND TITLE**

The Council, entitled the National Joint Council for the Engineering Construction Industry, was established, under the terms of the NAECI, by an Agreement dated 10 September 1981. The parties are the Engineering Construction Industry Association, the Thermal Insulation Contractors' Association and the Electrical Contractors' Association, Scotland (SELECT) representing employers engaged in the industry, and Unite and the GMB representing employees engaged in the industry.

The Council has the ultimate responsibility for determining all future revisions of the NAECI, for interpreting and applying its terms and for operating its procedures and other arrangements.

The Council has the right to take any appropriate action that may be required to ensure that the terms of the NAECI are properly applied.

## **B.2 CONSTITUTION**

The Council consists of an employers' side containing representatives of the employers' organisations signatory to the constituent Agreement, a trades union side containing representatives of the signatory trades unions and an Executive Chairman appointed by the 2 sides acting jointly. There shall be an equal number of nominated members on each side, the actual numbers being determined or varied by agreement of the 2 sides.

## **B.3 OBJECTIVES**

The Council aims to establish the NAECI as the dynamic 'Agreement of Choice' of the industry that will enable the parties to initiate and maintain a fully inclusive consultative process which will ensure continuous improvement being delivered to all the industry stakeholders.

Its principal objectives are to determine and regulate terms and conditions of employment on sites in the engineering construction industry, based on the principle of direct employment, and to provide a forum for the consideration of all matters of common interest to employers and employees in the industry and ensure stable industrial relations.

## **B.4 FUNCTIONS AND DUTIES**

It is the function and duty of the Council:

- (a) To act as the ultimate authority on all aspects of the NAECI including the regulation, application and interpretation of the provisions of the NAECI and to discharge other important objectives in accordance with the Constitution.
- (b) To appoint the Executive Chairman together with other such staff as the Council considers necessary for the discharge of its functions.
- (c) To divest in the Executive Chairman, under the supervision of the Finance and General Purposes Committee, the operational management of the NAECI and all policy and managerial direction of the staff of the NJC.
- (d) To promote direct employment and such activities as productive performance, competence, safety, health & welfare, quality and training as the Council considers appropriate for the attainment of its principal objectives.
- (e) To prepare and issue Codes of Practice and other forms of guidance in furtherance of the Council's Objectives.

- (f) To represent and further the joint interests of employers and employees in the industry in dealings with the Government, clients, employment businesses and other bodies concerned with the wellbeing of the industry.
- (g) To provide machinery for effective consultation and for dealing with questions arising and for the avoidance or prompt settlement of disputes.
- (h) To provide a framework of standard nationally agreed terms and conditions of employment, with provision for the local determination of a range of items, subject to the rules and procedures or the NAECI.

## **B.5 SCOPE**

### **Definition**

The following work carried out on site by contractors in membership of the signatory employer associations shall be included within scope of the NAECI:

#### ***Engineering construction projects***

Structural steel erection, mechanical, electrical, instrumentation and insulation engineering construction project work (and scaffolding in support of such work) on onshore engineering construction facilities, and expert dismantling of such facilities, anywhere in the United Kingdom mainland, or otherwise as agreed by the NJC.

#### ***Repair and Maintenance***

Repair, maintenance and minor modification work on onshore engineering construction facilities, except where the client decides that such work should not be included within scope.

### **Nuclear decommissioning**

The signatory parties agree to work together to identify appropriate nuclear decommissioning activities to be brought within scope of the NAECI.

### **Specific Scope Provisions**

Detailed provisions covering specific in-scope and out-of-scope activities on a particular project, site or event (for example, cladding) are to be included in any local agreement made under NAECI 20.3, subject to NJC approval and compatibility with 'Definition' above.

## **B.6 JURISDICTION**

Decisions of the Council are made by joint agreement of the 2 sides of the Council. The Council is the final authority on all questions concerning the attainment of its principal objective. Its specific role in relation to negotiation, disputes and grievances, discipline and other procedural matters is defined in the Council's agreements on these subjects.

## **B.7 CATEGORISATION**

The concept of categorisation permits the appropriate application of the NAECI to each of the following specific work sectors:

- (a) Category 1: Major New Construction Projects
- (b) Category 2: Long Term Repair and Maintenance Operations
- (c) Category 3: Major Events

The Finance & General Purposes Committee, acting on behalf of the Council, shall have the ultimate authority to determine the appropriate category of work after prior consultation between the parties and, where appropriate, with the understanding and support of the Client.

## **B.8 NJC APPROVAL**

On Major Projects and Long Term Repair and Maintenance Sites, the proposed SPA and proposals for Local Repair and Maintenance Agreements shall be submitted to the Executive Chairman for approval. Such Agreements shall include details of any incentive bonus arrangements which are introduced on the project or site.

## **B.9 SUBCOMMITTEES**

The Council or its Finance and General Purposes Committee may establish such subcommittees, joint working parties or other bodies as they consider necessary. Membership, which need not be limited to members of the Council, shall be determined by the Council or its Finance and General Purposes Committee.

## **B.10 MEETINGS**

### (a) Frequency

There shall be 3 ordinary meetings of the Council each year and 3 ordinary meetings of the Finance & General Purposes Committee. The dates shall be nominated annually in advance. At least 21 days' notice of any ordinary meeting shall be given and the business of the meeting shall be stated in the Agenda but the period of notice may be reduced by joint agreement.

### (b) Special meetings

Special meetings may be called at the discretion of the Executive Chairman or at the request of either or both sides. At least 14 days' notice of such meetings shall be given and the business of the meeting shall be stated in the notice.

### (c) Co-opted persons

The Council may co-opt persons of special knowledge, not being members of the Council, to attend meetings of the Council for the purpose of assisting the Council with such advice or information as the Council may require.

### (d) Quorum

Since matters are determined by the joint agreement of the 2 sides of the Council there is no requirement for regulations regarding a quorum, but the Executive Chairman has an obligation to ensure that both sides are adequately represented.

### (e) Substitutes

Members may not elect substitutes to attend NJC meetings on their behalf.

## **B.11 EXECUTIVE CHAIRMAN**

The Executive Chairman is responsible for overseeing all NJC activities, including the effective maintenance of the Council's procedures and the activities of its staff.

## **B.12 RECORDS**

A record of all meetings of the Council shall be prepared and shall form part of the Agenda of the next meeting of the Council.

## **B.13 INFORMATION**

The Council and Finance and General Purposes Committee will determine the arrangements for the distribution of their decisions and for publicity concerning their activities.

## **B.14 FINANCE**

### (a) Costs and expenses

The costs of establishing and maintaining the Council are guaranteed by the employers' side but each side shall be responsible for its own expenses in attending Council and Finance and General Purposes Committee meetings.

### (b) Revenue

Revenues accruing for such revenue-producing activities which the Council may decide to institute, may be applied to meeting the costs of the Council.

## **B.15 AMENDMENT OF THE CONSTITUTION**

The provisions of the Constitution may be amended by joint agreement of the 2 sides. Notice of any proposed amendment shall be given in writing at least 30 calendar days before the Council meeting at which the proposal is to be considered, unless the parties unanimously agree to waive such notice.

## **B.16 ENTRY INTO FORCE**

### (a) Effective date

The provisions of this revised Constitution entered into force with effect from 5 December 2007.

### (b) Responsibility of Council

On the entry into force of the original Constitution, the Council adopted and is thereafter responsible for the agreements on substantive and procedural matters made between the parties establishing this Council and appended to their constituent agreement dated 10 September 1981.

# Part 3: Appendix C

## **TRADES UNION MATTERS**

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## **C.1 TRADES UNION MEMBERSHIP**

The trades unions signatory to the NAECI are recognised to be the sole negotiating trades unions for employees covered by it. Employers will encourage all their employees covered by the NAECI to be members, in good standing, of a signatory trades union.

## **C.2 NECC ACCREDITED SENIOR STEWARDS**

- (a) Both parties to the NJC fully recognise the substantial benefits to the industry from the positive contribution of experienced shop stewards.
- (b) Therefore an employer/managing contractor shall undertake as far as is practicable to place onto an appropriate contract an NECC accredited senior steward to Category 1, 2 & 3 sites. An appropriate contract shall be identified and agreed between the parties locally to which an accredited and suitably experienced senior steward shall be appointed.
- (c) The trades union side therefore undertakes to develop NECC senior and other stewards who shall undertake approved industry training to equip them fully for the furtherance of their role and duties and the employers agree to make every endeavour to place stewards from the NECC forum appropriately on local mutually identified employers' contracts.
- (d) The employers' side also fully recognises their important support role in the creation of a workplace environment free from any intimidation or fear for individuals taking up the undertaking of the role of shop steward.
- (e) While the employer's right to select employees solely to meet its needs is guaranteed, employers undertake to assist in encouraging the selection of shop stewards from amongst their workforce including a senior steward to operate within the jurisdiction of their contract whose appointment shall be subject to NECC approval.
- (f) The trades union side equally recognises the need for shop stewards to carry out their part time duties within the ethos of the Agreement and effective social partnership.
- (g) NECC senior stewards and other accredited shop stewards shall in the furtherance of their duties and role seek co-operation with management to:
  - (i) Develop a harmonious and safe working environment on all sites and projects;
  - (ii) Develop on every appropriate project, in co-operation with management, an environment of social partnership;
  - (iii) Promote the understanding and the ethos of the Agreement and compliance with its procedures;
  - (iv) Ensure the maximum take-up and compliance with trades union membership;
  - (v) Promote industrial relations harmony and the avoidance of recourse to unprocedural action;
  - (vi) Promote accurate and effective communications on all appropriate issues;
  - (vii) Develop the trades unions' role with all employees in site inductions.
- (h) Employers shall provide stewards with the necessary facilities, working environment, communications and protection for them to carry out their union duties and activities within an ethos of "Respect for People".



## **C.3 ACCREDITED SHOP STEWARDS**

### **Election**

- (a) Shop Stewards shall be elected from the existing workforce in accordance with the rules of their trades union to act on its behalf in observance of the NAECI.
- (b) Every effort should be made to nominate candidates from those whose overall experience makes them suitable for the task and for this purpose at least 2 years' adult experience in the Industry will normally be the acceptable minimum length of service.
- (c) There shall be no more than one shop steward for each signatory trades union and section represented on an employer's contract.

### **Accreditation**

- (d) Upon election, the name of the accredited shop steward and the categories of employees he represents shall be notified in writing by the local full time officer of the signatory trades union to the employer.
- (e) A shop steward shall not represent employees of any employer other than his own.

### **Performance of duties**

- (f) Shop stewards are subject to the control of their trades union and are to act in full support of the NAECI.
- (g) Shop stewards are to obtain permission from their foreman or supervisor before leaving their immediate place of work and such permission will not unreasonably be withheld.
- (h) Where mutually agreed, a shop steward may represent members of trades unions other than his own on his employer's contract.
- (i) Shop stewards, in common with all other employees, are to comply with the agreed working conditions.

### **Complaints against shop stewards**

- (j) If any shop steward should act in breach of the NAECI the employer shall advise the local full time officer of the appropriate signatory trades union in writing, who shall investigate the circumstances and take any necessary action.

### **Meetings of shop stewards**

- (k) Where shop stewards of a single employer, representing members of 2 or more signatory trades unions require to meet to facilitate working relationships under the NAECI, permission for such a meeting will normally be granted upon request to their employer.
- (l) Such meetings are to take place during the last hour of the forenoon or at the end of the day.

### **Shop stewards' spokesman**

- (m) A spokesman from among the accredited stewards may be recognised by the employer for the purpose of dealing with general matters affecting all the trades unions concerned on its contract.

## **C.4 FACILITIES FOR SHOP STEWARDS**

### **Accommodation**

- (a) In order to enable shop stewards effectively to carry out their duties in conjunction with their local full time officers, in the interests of both their members and their employer, they should be granted the following facilities upon request to the employer:
  - (i) Access to a telephone with suitable privacy.
  - (ii) Use of a notice board.
  - (iii) Where practicable, suitable accommodation for any necessary meetings between an employer's shop stewards and between shop stewards and local full time officers of signatory trades unions. Local full time officers of signatory trades unions seeking meetings with shop stewards during working hours should make arrangements with the employer as far as possible in advance, having due regard to the need to minimise any detrimental effect on productivity.

### **Paid time off for trades union duties**

- (b) A shop steward of a signatory trades union will be allowed reasonable paid time off during working hours, which is to be paid at average earnings for the normal hours of the time off, for the purposes of:
  - (i) Carrying out his duties in connection with his employment in accordance with the NAECI.
  - (ii) Undergoing training relevant to his duties in connection with his employment and which is approved by his local full time officer in consultation with his employer.

## **C.5 NATIONAL STEWARDS' FORUM**

- (a) The National Stewards' Forum shall meet for 2 days on 3 occasions per year. These meetings will normally take place once every 4 months on a Monday and Tuesday.
- (b) Employers will allow shop stewards who have been designated in advance, to attend without loss of normal earnings (basic rate plus any incentive bonus payment for normal daily hours).
- (c) Travelling costs and all other expenses will be met by the relevant trades unions.

## **C.6 UNPAID TIME OFF FOR TRADES UNION MEMBERS**

- (a) Any member of a signatory trades union will be allowed reasonable time off during working hours for trades union activities, such as taking part in trades union elections or attendance at meetings called by local full time officers of signatory trades unions which are agreed to be of particular urgency.
- (b) The employer has no obligation to pay employees for time off for such trades union activities.

## **C.7 MEETINGS OF TRADES UNION MEMBERS**

When meetings of trades union members are requested during working hours it is agreed that the employer may permit these to be held provided that:

- (i) The local full time officers of signatory trades unions inform the employer of the nature of the business for which the time off is required, the intended location and the expected period of absence.
- (ii) Arrangements should be such as to have full regard to the need to minimise any detrimental effect on productivity.
- (iii) Such employees as are required for safety reasons shall remain at work.
- (iv) Meetings shall not exceed the authorised duration.

### **C.8 FACILITIES FOR REPORT BACK OF PJC/FORUM PROCEEDINGS ON MAJOR NEW CONSTRUCTION PROJECTS AND LONG TERM REPAIR AND MAINTENANCE OPERATIONS**

- (a) At an agreed time after meetings of the PJC or Local Forum, where they exist, and following publication of the Joint Communiqué, local full time officers of signatory trades unions who are members of the PJC shall report the proceedings of the PJC or Local Forum, at paid meetings of the accredited shop stewards of up to 1 hour's duration.
- (b) The arrangements for such report back meetings shall be specified in SPAs and Long Term Repair and Maintenance Agreements established in accordance with NAECI 20.3 and NAECI 20.4.
- (c) The NJC Regional Operations Manager with responsibility for the project may attend such meetings at his/her discretion.

### **C.9 INTER-UNION MATTERS**

- (a) The resolution of inter-union or internal disputes is primarily the responsibility of the trades unions themselves.
- (b) The signatory trades unions undertake to seek the peaceful solution of any such disputes and shall not, therefore, make them the subject of any industrial or other coercive action.

# Part 3: Appendix D

## EMPLOYMENT RELATIONS ARRANGEMENTS ON MAJOR PROJECTS AND R&M SITES

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## **D.1 ADDITIONAL EMPLOYMENT RELATIONS SUPPORT (NAECI 20)**

This Appendix contains further provisions on the specific arrangements applicable to selected Categorised Work (1-3) where the NJC has agreed to provide additional employment relations support under NAECI 20. The following provisions are in addition to those already set out in NAECI 20.1 to 20.4.

## **D.2 NOTIFICATION FORM (NAECI 20.1)**

A copy of the Notification of Work form that signatory organisations are required to complete and return is set out in Annex A to this Appendix.

## **D.3 MAJOR NEW CONSTRUCTION PROJECTS**

### **(a) NJC ROM**

The NJC will allocate, as appropriate, an NJC ROM to represent the NJC on Major New Construction Projects.

### **(b) Arrangements on Major New Construction Projects**

Normally the parties will proceed in accordance with the arrangements set out in (c) to (p) below. They may wish to consult and determine which of the following rules will apply, subject to final approval by the NJC.

### **(c) Pre-Job Conference**

Where appropriate, before the commencement of the Major New Construction Project, the NJC ROM, in conjunction with the managing contractor, will organise a Pre-Job Conference when requested to which the following will be invited:

- (i) The client;
- (ii) Representatives of the NJC, the managing contractors and other contractors who are to participate in the work;
- (iii) The NJC ROM;
- (iv) Local full time officers of signatory trades unions;
- (v) The regional ECIA Employment Relations Executive;
- (vi) A local representative of the ECITB.

The Pre-Job Conference will address the key project objectives, the proposed plan, the predicted scope, the anticipated manpower on the project, any performance-based incentive bonus arrangement to be introduced and any special local requirements.

The NJC will provide the Chairman of the Pre-Job Conference. Where requested the detailed agenda will be drawn up by the NJC ROM in consultation with the managing contractor.

### **(d) Supplementary Project Agreement (SPA)**

The parties shall normally adopt the process for developing an SPA detailed in NAECI 20.3. A guide to the content of an SPA is set out in Annex B to this Appendix.

### **(e) Project Joint Council (PJC)**

#### **(i) Establishment**

When a project has been registered as a Major New Construction Project under NAECI 20 and after the Pre-Job Conference, a Project Joint Council shall be established. The PJC will negotiate the SPA and submit it to the NJC for

approval. The PJC will operate and uphold the NAECI, the SPA and their rules and procedures. A model constitution for a PJC is set out in Annex C to this Appendix.

(ii) Cancellation & Postponement

The following PJC/Forum action is to be taken in the circumstances of a stoppage of work or other industrial action that results in, or may result in, a suspension of normal working on or around the date of the scheduled PJC or Forum meeting.

The most common situations likely to arise are:-

1. A stoppage of work or other industrial action that prohibits normal working on the day scheduled for the PJC/Forum.
2. A stoppage of work or other industrial action that prohibits normal working in the day(s) immediately preceding the day scheduled for the PJC/Forum.
3. During a period of difficult industrial relations where either party anticipate that normal working may not be possible on the day scheduled for the PJC/Forum.
4. For some other reason that either Party may not wish the PJC/Forum to proceed as planned.

The resolution of any differences shall be achieved through the efforts made and decisions jointly agreed by the two sides. The role of the Joint Chairmen is to attempt to overcome any obstacles in order that the meeting can go ahead as planned. The NJC ROM may assist and guide the local parties to attain this goal.

Failing that, the PJC/Local Forum can only be cancelled or postponed by mutual agreement.

Where that is not possible then in finality it is open to either Party to notify the other that they will not be attending.

(f) Working patterns

In accordance with NAECI 7.1(f) the PJC may develop and agree new working patterns and/or arrangements for shift working, which will be submitted to the NJC for review and the determination of any premium payments.

(g) Welfare arrangements

In order to provide an efficient working environment and encourage improvements in industry productive performance, the PJC will ensure that appropriate welfare arrangements and services exist prior to the recruitment of manpower on the project.

(h) Induction

Clients, where appropriate, and contractors shall work together to provide an induction. Trades Union representatives shall be invited to contribute to induction courses.

(i) ACE

The PJC will monitor the implementation of ACE and fully assist with its promotion to employers, trades unions and clients on the project (see further NAECI 5.4.5).

(j) Training plan

Local parties are referred to the NAECI training provisions, reproduced in Annex E to this Appendix.

(k) Communications

In order to provide greater and improved information to the management, supervision and workforce of Major New Construction Projects, the PJC will establish and maintain appropriate communications.

Regular reports of the progress of all Major New Construction Projects will be submitted to the NJC. The NJC may decide to investigate any individual or project-wide performance-based incentive bonus arrangement(s) to confirm that the scheme(s) and payment levels conform with the spirit and intent of NAECI 19.

(l) Role and function of shop stewards

In order to develop best practice and good working relationships and to enable shop stewards to understand their duties under the NAECI, training in the NAECI rules will take place after accreditation and as early as possible in the life of the project.

Employers also recognise the need to support the uptake of trades unions/TUC approved employment relations training courses for shop stewards and the benefit to the industry from a programme of trades union training.

(m) Independent auditor

On all Major New Construction Projects where there is a monthly audit of the performance and pay levels of all contractors, this may be carried out by a qualified independent auditor, or other body appointed by the client or managing contractor, approved by the NJC and acting on behalf of the client/managing contractor and the PJC (see also NAECI 20.4(a)(iv)). The auditor will carry out periodic checks to ensure that all payments are made in accordance with the NAECI and will report audit results to the client, the NJC and the PJC.

Where a performance-based incentive bonus arrangement is in operation, the auditor may provide impartial measurement information. The PJC will take all necessary action on the report to ensure compliance with the NAECI.

A detailed guide to the independent audit is set out in Annex D to this Appendix.

(n) Accident records

On all Major New Construction Projects accident records of individual contractors are to be reported monthly to the auditor (or, in the absence of an auditor, to the person nominated by the client or managing contractor) on the prescribed NJC Monthly Accident Report form which may be found on the NJC website ([www.njeci.org.uk](http://www.njeci.org.uk)).

The auditor (or other nominated person) is required to collate this information and render a consolidated monthly return for the Major New Construction Project as a whole to the PJC and the NJC.

(o) Termination of additional employment relations support

(i) On completion

As major construction work on a Major New Construction Project registered under NAECI 20 nears completion, the PJC will discuss the timing of termination of additional employment relations support, taking particular account of the original reasons for such support, the future programme of the project and commissioning requirements. A recommendation will then be made to the NJC which will consult the client before approving termination of additional employment relations support.

(ii) Exceptional circumstances

In exceptional circumstances the NJC may terminate additional employment relations support on a project at any time following discussion with the client.

(p) Post-Job Workshop

It is recommended that a Post-Job Workshop, attended by the client, contractors, NJC ROM, trades union and ECIA representatives be held to compare the actual performance of a Major New Construction Project against the original plan set out at the Pre-Job Conference. The Workshop will analyse and review the factors that have contributed to the project's achievements and to learn from the difficulties encountered and the ways in which they were resolved.

(q) End of Job Report

The NJC ROM will initiate the compilation of an End of Job Report and may assist the PJC Joint Chairmen with its preparation. The report will be presented to the NJC at a suitable date. It is recommended that representatives of the client, the contractors, the ECIA regional representatives and local full time officers of signatory trades unions attend the presentation.

## **D.4 LONG TERM REPAIR AND MAINTENANCE OPERATIONS**

(a) Local Repair and Maintenance Agreement

Where a client and/or its managing/main contractor(s) wish to introduce a Local Repair and Maintenance Agreement under the NAECI, the local parties shall normally adopt the process for developing such an Agreement detailed in NAECI 20.3(b).

Local Repair and Maintenance Agreements under the NAECI may contain a combination of locally negotiated terms and conditions in addition to the NAECI national core provisions. The parties may also develop and agree appropriate new working practices for inclusion in such Agreements.

Where a performance-based incentive bonus arrangement forms part of a Local Repair and Maintenance Agreement, the NJC may decide to investigate any individual or project/site-wide scheme(s) to confirm that the scheme(s) and payment levels conform with the spirit and intent of NAECI 19.

(b) Local Forum

(i) Establishment

By mutual agreement, signatory employers and trades union representatives may establish a Local Forum to administer the Local Repair and Maintenance Agreement. The local signatory parties will decide upon the size, the chair of the Forum and frequency of meetings. Through regular access to the Local Forum, the client may consult about its requirements.

(ii) Cancellation & Postponement

The following PJC/Forum action is to be taken in the circumstances of a stoppage of work or other industrial action that results in, or may result in a suspension of normal working on or around the date of the scheduled PJC or Forum meeting.

The most common situations likely to arise are:-

1. A stoppage of work or other industrial action that prohibits normal working on the day scheduled for the PJC/Forum.



2. A stoppage of work or other industrial action that prohibits normal working in the day(s) immediately preceding the day scheduled for the PJC/Forum.
3. During a period of difficult industrial relations where either party anticipate that normal working may not be possible on the day scheduled for the PJC/Forum.
4. For some other reason that either Party may not wish the PJC/Forum to proceed as planned.

The resolution of any differences shall be achieved through the efforts made and decisions jointly agreed by the two sides. The role of the Joint Chairmen is to attempt to overcome any obstacles in order that the meeting can go ahead as planned. The NJC ROM may assist and guide the local parties to attain this goal.

Failing that, the PJC/Local Forum can only be cancelled or postponed by mutual agreement.

Where that is not possible then in finality it is open to either Party to notify the other that they will not be attending.

(c) Working patterns

The nature of operating plants may require provision to be made for cover on a 24 hour, 7-day basis. In addition to the rules set out in NAECI 7.1 and 7.3, other forms of flexible shift or working pattern may be developed locally through consultation and negotiation. The agreed arrangements will be submitted to the NJC for review and determination of any premium payments.

(d) Accident records

On all Long Term Repair and Maintenance Agreement sites accident records of individual contractors are to be reported monthly to a nominated signatory employer on the prescribed NJC Monthly Accident Report form which may be found on the NJC website ([www.njceci.org.uk](http://www.njceci.org.uk)). The nominated signatory employer is required to collate this information and render a consolidated monthly return for the site as a whole to the Local Forum, where it exists, and the NJC.

(e) Training plan

Local parties are referred to the NAECI training provisions, reproduced in Annex E to this Appendix.

(f) Resolution of disputes

Where there is a failure to reach agreement, either party may refer any unresolved matters to the NJC for resolution, unless the reference is a matter that may be resolved under NAECI 14.

(g) Existing Agreements

Long Term Repair and Maintenance Agreements approved previously by the NJC shall be given the opportunity to maintain their existing Supplementary Agreements, without amendment, while being able to develop them over time in line with the principles embodied within the NAECI.

## D.5 MAJOR EVENTS

(a) Incentive bonus

The NJC may decide to investigate any individual or Event-wide incentive bonus scheme(s) to confirm that the scheme(s) and payment levels conform with the spirit and intent of NAECI 19.

(b) Accident records

Accident records of individual contractors are to be reported monthly to a nominated signatory employer on the prescribed NJC Monthly Accident Report Form which can be found on the NJC website ([www.njceci.org.uk](http://www.njceci.org.uk)). The nominated signatory employer is required to collate information and render a consolidated monthly return for the Events to the Local Forum, where it exists, and the NJC. On Events of short duration, signatory employers are required to collate records of reportable accidents and ill health data.

(c) Resolution of disputes

Where there is a failure to reach agreement, either party may refer any unresolved matters to the NJC Finance & General Purposes Committee for resolution, unless the reference is a matter that may be resolved under NAECI 14.

## ANNEX A

### NOTIFICATION OF WORK (NAECI 20.1)

NAECI signatory employers and trades unions are required to report impending projects and/or contracts regardless of size, duration or location as early as possible to the recipients indicated below.

*Note: This form is also available in editable electronic format from the NJC website ([www.njceci.org.uk](http://www.njceci.org.uk)).*

<b>Name of Project:</b>
<b>Address of Project Site:</b>
<b>Name of Client:</b> <b>Address:</b> <b>Tel:</b> <b>Fax:</b> <b>Email:</b>
<b>Name of Main/Managing Contractor:</b> <b>Address:</b> <b>Tel:</b> <b>Fax:</b> <b>Email:</b>
<b>Brief Description of Works:</b>
<b>Approximate Value of Project:</b>
<b>Planned Start:</b>
<b>Estimated Duration:</b>
<b>Estimated Peak Workforce:</b>
<b>Number of Contractors/Sub-contractors expected to be on Site:</b>
<b>Contact Name:</b> <b>Address:</b> <b>Tel:</b> <b>Fax:</b> <b>Email:</b>

Please return this form to:

ECIA                      Fax: 020 7233 1930  
 NECC                     Fax: 0113 236 4831  
 NJCECI                  Fax: 020 7734 0245  
 SELECT                  Fax: 0131 445 5548  
 TICA                      Fax: 01325 487691

Email: [simonbailey@ecia.co.uk](mailto:simonbailey@ecia.co.uk)  
 Email: [bernard.mcaulay@unitetheunion.org](mailto:bernard.mcaulay@unitetheunion.org)  
 Email: [info@njceci.org.uk](mailto:info@njceci.org.uk)  
 Email: [admin@select.org.uk](mailto:admin@select.org.uk)  
 Email: [enquiries@tica-acad.co.uk](mailto:enquiries@tica-acad.co.uk)

## ANNEX B

### MODEL SUPPLEMENTARY PROJECT AGREEMENT (NAECI 20.3)

#### 1. TITLE

The title is to include the name of the project covered and the name of the client for whom the project is to be constructed. It is to indicate that the SPA is supplementary to the NAECI and subject to the authority of the NJC.

#### 2. SIGNATORIES

This section is to list the signatory contractors and the signatory trades unions and their sections.

#### 3. SCOPE

This section will define the geographical area of the Major New Construction Project in which work in-scope of NAECI is to be carried out. It will define any specific exclusions from the scope or variations from the standard NAECI scope.

#### 4. DURATION

This section shall cover the intended duration of the work in-scope to the SPA and the notice required for termination or revision of the SPA.

#### 5. TERMS AND CONDITIONS OF EMPLOYMENT

This section shall cover the following:

- (a) Commitment to the observance of the NAECI and SPA
- (b) Definition of terms and conditions which are left for local determination including:
  - (i) Incentive bonus arrangements (NAECI 19 refers)
  - (ii) Work patterns including hours of work, meal times, overtime, refreshment break, shift working requirements, etc.
  - (iii) Other matters of local importance requiring regulation through the SPA.

#### 6. PROCEDURAL ARRANGEMENTS

This section shall specify the precise arrangements for operating the NAECI Procedures on the project (NAECI 13-15).

#### 7. CONTENT OF THE SUPPLEMENTARY PROJECT AGREEMENT

The following items constitute a list of those matters which are recommended by the NJC for inclusion in the SPA:

- Details of the Constitution of a Project Joint Council.
- Brief details/description of the project works.
- The stated Pre-Job Conference objectives for the project.

- Details of a realistic achievable plan which anticipates the need, periodically, to address special situations in a controlled way.
- A common Health, Safety, Environmental and Quality plan.
- A Code of Welfare Facilities Practice.
- A link to a common Industrial Relations plan.
- A clear statement of the project strategy.
- A project contractor's organogram.
- A site plan.
- Any special risks or requirements, e.g. smoking policy, overhead cables.
- Workforce induction arrangements.
- Details of proposed alternative working patterns and/or shiftwork, when known.
- A clear project policy on the extent of the management and control of overtime working.
- A clear policy on holidays, including public holidays, to ensure the availability of balanced workforces.
- A project policy for dealing with unacceptable levels of unauthorised absence.
- Where applicable, a policy with regard to employment of non-UK labour.
- A definition of how productivity is to be measured on the project and any form of incentive bonus arrangement (NAECI 19 refers).
- An appropriate employee training programme for the project, incorporating the principles set out in Annex E to this Appendix. This shall include reference to the ACE initiative, induction training, apprentice training, ECITB Technical Training and the NAECI IR course for Shop Stewards and Supervisors.
- Terms of reference for any PJC sub-committees.
- Provision for any independent auditor (NAECI 20.4(iv) refers), setting out the arrangements for a monthly audit of performance and pay levels and accident reporting (See Annex D to this Appendix).
- Arrangements for the training and contribution of shop stewards and safety representatives.
- Any alcohol and drugs policy.
- Details of the project plan for implementation of the ACE Scheme.

## ANNEX C

### MODEL CONSTITUTION OF A PROJECT JOINT COUNCIL (Appendix D3(e))

#### 1. ESTABLISHMENT AND TITLE

This Project Joint Council (PJC) has been established by and under the authority of the National Joint Council for the Engineering Construction Industry (NJC) with the participation of the (named) principal contractors and signatory trades unions having involvement in the (named) project. Its title is the (named) Project Joint Council.

#### 2. AUTHORITY AND JURISDICTION

The authority and jurisdiction of the PJC extends to all employers and employees engaged on work within the scope of the SPA. Decisions of the PJC are made by joint agreement of the 2 sides. The PJC is the authority at local level on all questions concerning the attainment of its objectives.

#### 3. FUNCTIONS AND DUTIES

The functions and duties of individual PJCs will reflect the requirements of the NAECI and the project. They may include but need not be limited to the following:

- Promote a common and coordinated approach by the signatory parties.
- Establish and maintain good communications.
- Secure the effective and uniform application of the SPA and the NAECI and negotiate any changes to the SPA, subject to NJC approval.
- Promote best practice by regular reviews of the Health, Safety, Welfare and Environmental Management plan.
- Monitor:
  - Contract awards and the movement of employers on and off site;
  - Operation of the workforce induction process; and
  - Application of the project policy on the employment of non-UK labour (where applicable).
  - Regularly review the measurement of actual progress of the work against the Pre-Job Conference project plan, including manpower.
- Identify, investigate and propose solutions for problems that may impede progress.
- Secure the observance of all procedures of the NAECI and the SPA and deal with all issues of site-wide significance in accordance with NAECI 13-15.
- Carry out regular site visits.
- Review and investigate any forms of unofficial action.
- Consider and act upon the report of the independent auditor.
- Initiate, review and act upon random audits.
- Keep all forms of absence under review and take appropriate action.
- Review the provision and maintenance of welfare facilities against the NJC Guide to Health, Safety and Welfare.
- Secure achievement of the project training plan which should incorporate the principles set out in Annex E to this Appendix and include reference to the ACE initiative.
- Co-operate with the NJC, seeking any necessary assistance and support and report to the NJC on its decisions and activities.

## 4. MEMBERSHIP

PJC Membership may vary to reflect the needs and circumstances of individual projects, subject to agreement between the parties. The following representation of the parties is offered as guidance.

- (i) The employers' side of the PJC shall comprise representatives of the signatory employers association(s), the principal contractors and other employers of labour on the project who may or may not be site-based. The employers have the right to appoint a number of such representatives equal to the total entitlement of the trades union side.
- (ii) The trades union side of the PJC shall comprise one local full time officer from each of the signatory trades unions and their sections and accredited shop stewards from signatory trades unions up to a maximum of 5 who shall be trades union members employed on the project.
- (iii) To reflect changes in the contractors working on the project and in the composition of the workforce, membership of the PJC may be changed in the course of the project in order to maintain appropriate representation.
- (iv) An appropriate quorum of the PJC shall be established consisting of not less than 3 members from each side with not less than one local full time officer of a signatory trades union.

## 5. OFFICERS

Each side of the PJC shall appoint a Chairman. The arrangements for the Chairmanship of joint meetings shall be set out in the SPA. In addition the NJC shall nominate a Regional Operations Manager for the project.

## 6. MEETINGS

Subject to the availability of adequate facilities, the PJC may meet on site, at intervals determined by the PJC.

## 7. SUB-COMMITTEES

The PJC may establish the following sub-committees to assist in the discharge of its responsibilities. (Specify sub-committees, their composition and terms of reference). All sub-committees shall report to the PJC.

## 8. ACTIONS AND OUTCOMES SUMMARIES

Outcomes and actions summaries of PJC and PJC sub-committees proceedings shall be prepared and circulated to PJC members and the NJC, but in any event all decisions must be recorded.

## 9. CLIENT

Exceptionally, the client may be invited to attend a specific meeting of the PJC where both sides of the PJC agree that such attendance is necessary to the effective performance of the PJC's functions and duties with respect to a particular matter.

## ANNEX D

### GUIDE TO THE INDEPENDENT AUDIT (NAECI 20.4(a)(iv))

#### 1. INTRODUCTION

This guide has been prepared to assist in the performance of the audit service available under NAECI 20.4(a)(iv) on Category 1 projects receiving additional employment relations support.

#### 2. NAECI

The NAECI was concluded between the trades unions and the employer representatives on 28 November 2012. It retains, and builds upon, the achievements of NAECI 1981 – 2012.

The NAECI is more than a convenient handbook of terms and conditions of employment. It aims to remove exploitable differences and provides the structures and procedures through which immediate problems can jointly be resolved, longer-term goals set and reviewed and future action agreed.

#### 3. AUDIT

On all Major New Construction Projects where there is a monthly audit of the performance and pay levels of all employers, this will be carried out by a qualified independent auditor, or other body appointed by the client or managing contractor, approved by the NJC and acting on behalf of the client/managing contractor and the PJC. The PJC will take all necessary action on the report to ensure compliance with the NAECI.

#### 4. ROLE OF THE AUDITOR

To provide the client and the PJC with the necessary information to monitor and ensure compliance by all in-scope contractors/sub-contractors and their employees with the NAECI and SPA, thus ensuring the uniform application of NAECI pay and conditions throughout the project and helping to achieve a stable industrial relations climate. Copies of the audit report shall be made available to members of the PJC.

#### 5. ROLE OF THE CONTRACTORS

To provide the appointed independent auditor with sufficient information in good time, to enable the audit report to be completed for submission to the PJC. Contractors who fail to provide the information in good time will not be included in the report and will be required to explain the reasons to the PJC in person.

#### 6. DUTIES OF THE AUDITOR

- (a) To carry out a formal interview and to issue a report on every NAECI contractor/sub-contractor appointed, prior to their commencement\* on the project for the purpose of:
  - Establishing relationships and recording basic information regarding the company.
  - Ensuring that the contractor/sub-contractor will comply with and has an understanding of the requirements of NAECI and the SPA/IBA.



- Advising the contractor/sub-contractor of the audit procedures and the information to be provided and their obligation to submit information in a timely manner
- Confirming currency of membership of a signatory employer association.
- Confirming currency of the ECI stakeholder pension provision in accordance with NAECI 11.1.
- Confirming currency of welfare benefits cover in accordance with NAECI 11.3.

*\*Note: In exceptional circumstances this process can be conducted at the earliest opportunity after mobilisation following consultation with the Joint Chairmen of the PJC.*

- (b) To prepare monthly audit reports, or at other agreed intervals, recording any discrepancies found/corrected, in line with the following reports (blank forms available from the NJC on request):
- A1** Monthly report of in-scope employers
  - A2** Hourly rates analysis
  - A3** Utilisation of man hours
  - A4** Details of any payroll audits undertaken
  - A5** Numbers and grades of each trade (including numbers of apprentices)
  - B** Monthly accident report
  - C** Monthly summary audit report
  - D** Contractor mobilisation, take up of NAECI pension and welfare benefits & employers association membership
  - E** Unprocedural action report
  - F** Report of numbers of employees holding ACE cards and numbers currently undergoing ACE competence assessment.
- (c) To collate details for completion of the report above in relation to the take up of benefits available under the following schemes:
- The Welplan Welfare Benefits Scheme
  - Alternative welfare benefits schemes
  - The Engineering Construction Industry Stakeholder Pension Scheme
- (d) To submit a copy of the completed reports to the NJC Office. The auditor shall also supply a record of every in-scope employer's total clocked hours each month to the ECIA Head Office and to the ECIA Regional representatives.
- (e) To provide impartial measurement information where required under a performance-based incentive bonus arrangement.
- (f) To conduct a detailed audit of every NAECI employer's payroll including a clock card check, within 6 weeks of their commencing work on project and regularly thereafter, where requested by either of the Joint Chairmen of the PJC, in line with the following, to ensure:
- That the correct gradings have been applied in accordance with the NAECI.

- Employees have received overtime payments in accordance with NAECI.
  - Employees have received any welder proficiency payment, if applicable, that they are entitled to under NAECI.
  - Employees have completed their application for accommodation allowance and are in receipt of payment in accordance with NAECI.
  - Employees where not entitled to accommodation allowance have received the appropriate radius payment.
  - Employees have received bonus payments in accordance with the site SPA/IBA.
  - Employees have received payment for any periodic leave entitlement in accordance with NAECI.
  - Copies of payslips have been issued to employees showing gross and net payments.
  - The employer has on record the employees' bank records to include bank account number and sort code.
  - Confirmation that appropriate payments have been made to the employee either by bank confirmation or by confirmation obtained directly from the employee.
  - Confirmation of numbers of employees who have obtained an ACE card along with the numbers of those employees who are currently in the process of undertaking competence assessment through the ACE scheme.
- (g) To produce a standard list of radius allowances, travelling time and expenses for periodic weekend leave, etc.
- (h) Collate such statistical information that may be required from time to time by the Client or the PJC.
- (i) To prepare an End-of-Project Audit Report to summarise and comment upon the data collated and audits carried out throughout the reporting period.

## ANNEX E

### PROJECT/SITE TRAINING PLAN (Appendix D.3(j) & D.4(e))

The NJC is committed to the expansion of youth and adult skill training to VQ standards. This commitment is aimed at increasing the available pool of skilled labour, improving the Industry's efficiency and providing an attractive career path for new entrants. In pursuance of these aims the fullest use will be made of all appropriate schemes and sources of funding that may from time to time become available. The NAECI places a clear obligation on employers in the industry to facilitate the provision of training and on employees to cooperate by participating in such training whenever it is made available. The NJC approves in particular ECITB Technical Training, the ECITB Apprenticeship Scheme and the NAECI IR course.

It is recommended that consideration should be given to the establishment of a training plan covering the lifetime of the project/site incorporating the following principles:

- The programme for induction training, specific to the project/site.
- Project/site implementation of the ACE Initiative.
- The project/site policy in respect of safety training and the monitoring of the expiry dates of the relevant category of safety certificates and their renewal.
- The project/site policy in respect of the NAECI leadership skills workshop.
- Provision for the training of first aid representatives, where required.
- Provision for the training of a site-based emergency rescue squad, where required.
- Provision for the employers to be encouraged to recruit and provide on-site experience for apprentices.
- Provision for employers to be encouraged to recruit both new and existing ECITB Technical trainees.
- Provision for the ECITB to assign one of its Account Managers (ECITB AM) to the Project/Site.
- Provision for the ECITB AM to attend meetings for the purpose of discussing training and competence assurance matters.
- Provision for promotional material on ACE, ECITB apprenticeships, ECITB Technical Training and other training courses and programmes (including CISRS) to be made available for distribution on site and during induction sessions.
- Provision for the ECITB AM to visit in-scope contractors with a view to promoting ECITB training programmes and the ACE Initiative on the project/site.
- Provision for the ECITB AM, in consultation with the contractors, to endeavour to maintain continuity of training of both apprentices and ECITB Technical trainees.
- Provision for the auditor, when appointed to Major New Construction Projects, to identify within the audit report the status of all apprentices and trainees on site.

# Part 3: Appendix E

## **NJC DISPUTE ADJUDICATION PANELS ('STAGE 4'): PRACTICE DIRECTIONS**

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## E.1 APPLICATION TO NJC DISPUTE ADJUDICATION PANEL ('STAGE 4') (NAECI 14.8)

- (a) Failing settlement at the appropriate preceding stage, either Stage 2 or Stage 3 (NAECI 14.6 (c) refers), the relevant signatory trades union or employers' association may pursue the matter further by referring it for a final hearing and decision at Stage 4, the NJC Dispute Adjudication Panel.
- (b) In the interests of best practice, and to ensure speedy processing of material, copies of the Application and case papers shall be submitted to the NJC office no later than 20 working days from the date of the failure to agree at the preceding stage. Only in exceptional cases may the NJC Executive Chairman exercise his/ her discretion to proceed with an Application that is submitted out of time.
- (c) Applications shall be submitted using the form entitled "Application to an NJC Dispute Adjudication Panel (Stage 4)" which may be found on the NJC website ([www.njeci.org.uk](http://www.njeci.org.uk)).

The Application must be accompanied by the full case papers collated into a comprehensively indexed bundle ordered chronologically with numbered pages containing:

- (i) The Application
- (ii) Jointly agreed Stage 2 and where applicable, Stage 3 minutes suitably detailed and providing a record of all the facts, the arguments presented, the relevant NAECI clause(s) and the failure to agree.
- (iii) Any supporting additional documentary evidence, including signed witness statements (if any)
- (iv) Outlines of oral witness testimony (if any)

The NJC will accept the above as an electronic submission provided it is indexed and collated into 1 file and contains no more than 50 pages. In the case of files in excess of 50 pages, 7 copies, indexed and collated, shall be sent to the NJC office through the postal or other transport services.

Where more than 1 application is submitted simultaneously, the number of pages shall be aggregated.

- (d) On receiving an Application, and the full case papers, the NJC office will circulate copies to the other party/ parties to the dispute and the appropriate NJC ROM.
- (e) The Application and the full case papers must be submitted to the NJC office sufficiently in advance to enable circulation to the other party/parties to the dispute and the appropriate NJC ROM no later than 20 working days prior to the date of the hearing.
- (f) Inadmissible applications

The NJC Executive Chairman may consider that an Application should be treated as inadmissible and therefore should not proceed to an NJC Dispute Adjudication Panel hearing. In any such case, the grounds for deeming the Application to be inadmissible should be specified, for example that it is contrary to the NAECI or falls outside the Panel's jurisdiction. The NJC Executive Chairman shall consult the NECC Secretary and ECIA Managing Director as soon as possible, in order to consider the Application and determine whether to hold the Application to be inadmissible, or to allow it to proceed to a Panel hearing (with or without conditions).

## E.2 RESPONSE

- (a) The other party/ parties to the dispute will be expected to submit a written response to the Application in advance of the Panel hearing, for example where:
  - The Application raises matters not canvassed previously;

- The respondent wishes to challenge any other information contained in the Application, or
- The respondent wishes to object to the applicant's preferred venue when the hearing is not being held in the NJC Office.

The respondent should also include a written outline of the oral testimony of any witness it is intended to call.

- (b) In order to ensure there is no delay in the process, the other party/parties to the dispute shall submit a written Response to both the NJC and directly to the applicant no later than 10 working days prior to the date of the hearing.

The Response shall be collated into a comprehensively indexed bundle ordered chronologically with numbered pages.

The NJC and the applicant will accept the Response in electronic form provided it is indexed and collated into 1 file and contains no more than 50 pages. In the case of files in excess of 50 pages, 7 copies, indexed and collated, shall be sent to the NJC office and 1 copy to the applicant through the postal or other transport services.

Where more than 1 Response is submitted simultaneously, the number of pages shall be aggregated.

*NOTE: It is imperative that the content of the Response shall not include reference to any documents, emails, statements or other information which post-dates receipt of the Application by the respondent. This is to ensure that having had the benefit of studying the Application and the full case papers, the introduction by the respondent of later additional material can jeopardise the whole process.*

### **E.3 CIRCULATION OF FULL CASE PAPERS**

No later than 7 working days prior to the day of the hearing the NJC office will circulate the full case papers to the members of the NJC Dispute Adjudication Panel, the parties and the appropriate NJC ROM.

### **E.4 HEARING DATE AND VENUE (NAECI 14.8(a)(ii))**

- (a) Dispute Adjudication Panel hearings held in London will normally take place at the NJC offices on the first or second Thursday of the month.
- (b) NAECI 14.8(a)(ii) provides for a local panel when a special request is made. Consideration for a local panel will only be given where the following apply:-
- (i) There is no loss of time in arranging the hearing
  - (ii) Provision of an agreed location with ease of access (travel)
  - (iii) Provision of suitable accommodation with 3 meeting rooms
  - (iv) Provision of full, administrative support.

The NJC ROM shall act as secretary to a local panel.

### **E.5 URGENT CASES**

In extremely urgent circumstances, and where agreed by the parties:

- (a) The NJC office may exempt the parties from compliance with some or all of the requirements set out in E.1 to E.3 above.
- (b) A hearing will be held at the earliest possible opportunity, subject to the availability of Panel members and the parties concerned. All reasonable steps will be taken to ensure that before the hearing Panel members are as well informed as possible about the issues and evidence in the case.

## E.6 CONDUCT OF HEARING

- (a) It will be the responsibility of the parties concerned to arrange for the attendance of their representatives at the hearing. Both sides should limit the number of representatives attending the hearing to the minimum that is necessary in order to ensure the proper presentation of their case. Representation should normally be limited to 4 persons from each side of whom at least 1 of the representatives on the trades unions' side is a local full time officer.
- (b) The NJC Dispute Adjudication Panel will include an equal number of trades union and employer members, of whom at least 2 per side shall normally be current serving members of the NJC. The secretary to the NJC Dispute Adjudication Panel shall be responsible for securing sufficient available Panel members to conduct the hearing.
- (c) The hearing will normally follow the procedure set out below in (d)-(h) and Annex A.
- (d) The NJC Dispute Adjudication Panel will elect a Chairman from a member of the Panel. The Chairman will have a vote but not a casting vote. Chairmanship will alternate between the employers and trade unions.
- (e) The secretary to the NJC Dispute Adjudication Panel shall provide guidance and advice to the Panel, in order to ensure that the hearing is conducted in accordance with the applicable procedural provisions of the NAECI and of this Appendix.
- (f) The applicant's representative will be asked to present their side's case. This presentation should concentrate on highlighting the salient points contained in the Application and the written evidence. Questions of clarification may be asked by the Panel and by the respondent's representative.
- (g) The respondent's representative will then be asked to present their side's case. Questions of clarification may then be asked by the Panel and by the applicant's representative, who may also respond to any new points which may have been raised by the respondent's representative during their presentation.
- (h) Chairmen of NJC Dispute Adjudication Panels will ensure that members of the Panel confine themselves during the hearing to seeking information from the applicant and the respondent. They should not express opinions or enter into arguments with, or in the presence of, the parties.

## E.7 PANEL'S DECISION (NAECI 14.8(a)(iii)-(vii))

- (a) After hearing the presentation of the case and such evidence as it may require, the NJC Dispute Adjudication Panel will make a decision (Finding) on all matters referred from the preceding stage of the procedure. The Finding will be final and binding on both parties and there will be no right of further appeal.
- (b) The secretary to the NJC Dispute Adjudication Panel shall provide guidance and advice to the Panel, in order to ensure that its decision accords with the requirements of the NAECI and is based on an accurate assessment of all the relevant evidence and circumstances of the application.
- (c) Every effort shall be made to reach a unanimous decision. If this proves impossible then the NJC Dispute Adjudication Panel may reach a Finding supported by a majority of those present.
- (d) In the event of a failure to arrive at a decision the matter shall be referred to the next meeting of the National Joint Council or NJC Finance and General Purposes Committee.
- (e) On any question which is considered by the Panel to raise issues concerning the interpretation of the NAECI or to be of fundamental importance to the engineering construction industry, the Panel has the right to refer one or more matters to the next meeting of the National Joint Council or NJC Finance and General Purposes Committee.

- (f) Decisions of the NJC Dispute Adjudication Panel will normally be implemented with immediate effect. In the event that either party has practical difficulties in implementation they should seek the agreement of the Panel to the time frame in which the decision will be implemented.
- (g) The secretary to the NJC Dispute Adjudication Panel will be responsible for the typing and circulation of the Panel's decision and the provision of a full summary of the hearing to the NJC office.

**E.8 TRAINING FOR PANEL MEMBERS AND REPRESENTATIVES  
(NAECI 14.8(c))**

- (a) The NJC shall ensure that Panel members and trades union/employers' association officials who are required to represent employees/employers at Panel hearings are competent to perform their respective roles.
- (b) As part of this process, the NJC shall develop a systematic and extensive induction/training programme for Panel members and representatives.

**ANNEX A**

**ORDER OF BUSINESS AT PANEL HEARING**

1. Panel meets in private:
  - elects chairman
  - considers written evidence.
  - agrees conduct of hearing.
2. Panel invites applicant's representatives and respondent's representatives into room.
3. Chairman
  - introduces Panel.
  - explains how the hearing will be conducted.
  - invites both parties involved to introduce themselves.
4. Applicant's representative presents case.
5. Panel questions\* applicant's representative.
6. Respondent's representative questions\* applicant's representative.
7. Respondent's representative presents case.
8. Panel questions\* respondent's representative.
9. Applicant's representative questions\* respondent's representative.
10. Applicant's representative sums up.
11. Respondent's representative sums up.
12. Panel privately considers its decision, which is based on its assessment of all relevant circumstances, and addresses the question of the applicant's travel expenses.
13. Panel gives its formal decision to both parties.
14. Panel issues a written communiqué.

\* Questions are to be confined to questions of clarification.



# Part 3: Appendix F

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## **F.1 APPLICATION TO DISMISSAL ARBITRATION PANEL (NAECI 15.8.2(a))**

- (a) In the event of a failure to agree at Stage 2, an application may be submitted to an NJC Dismissal Arbitration Panel, under one of the following NAECI provisions, as the final and binding stage of appeal:
  - In the case of disciplinary dismissals (excluding the probationary period): NAECI 15.8.1(a)(ii).
  - In the case of redundancy dismissals (either matrix or non-matrix selection): NAECI 15.8.1(b).
- (b) Where a dismissed employee is also eligible to submit an employment tribunal application in relation to the same matter, he/ she shall have the option of applying either to the tribunal or to an NJC Dismissal Arbitration Panel, but not to both (NAECI 15.8.1(a)(ii) and 15.8.1(b)(iii) refer).
- (c) In the interests of best practice, and to ensure speedy processing of material, copies of the Application and case papers shall be submitted to the NJC office no later than 20 working days from the date of the failure to agree at the preceding stage. Only in exceptional cases may the NJC Executive Chairman exercise his/her discretion to proceed with an Application that is submitted out of time.
- (d) Applications shall be submitted using the form entitled 'Application to an NJC Dismissal Arbitration Panel' which may be found on the NJC website ([www.njceci.org.uk](http://www.njceci.org.uk)).

The Application must be accompanied by the full case papers collated into a comprehensively indexed bundle ordered chronologically with numbered pages containing:

- (i) The Application
- (ii) Jointly agreed Stage 2 minutes suitably detailed and providing a record of all the facts, the arguments presented, the relevant NAECI clause(s) and the failure to agree
- (iii) Any supporting additional documentary evidence, including signed witness statements (if any)
- (iv) Outlines of oral witness testimony (if any)

The NJC will accept the above as an electronic submission provided it is indexed and collated into 1 file and contains no more than 50 pages. In the case of files in excess of 50 pages, 7 copies, indexed and collated, shall be sent to the NJC office through the postal or other transport services.

Where more than 1 application is submitted simultaneously, the number of pages shall be aggregated.

- (e) On receiving an Application and the full case papers, the NJC office will circulate copies to the dismissed employee's former employer and the appropriate NJC ROM.
- (f) The Application and the full case papers must be submitted to the NJC office sufficiently in advance to enable circulation no later than 20 working days prior to the date of the hearing.
- (g) Inadmissible applications

The NJC Executive Chairman may consider that an Application should be treated as inadmissible and therefore should not proceed to a Dismissal Arbitration Panel hearing. In any such case, the grounds for deeming the Application to be inadmissible should be specified, for example that it is contrary to the NAECI or falls outside the Panel's jurisdiction. The NJC Executive Chairman shall consult the NECC Secretary and ECIA Managing Director as soon as possible, in order to consider the Application and determine whether to hold the Application to be inadmissible, or to allow it to proceed to a Panel hearing (with or without conditions).

## F.2 EMPLOYER'S RESPONSE

- (a) The employer will be expected to submit a written response to the dismissed employee's Application in advance of the Panel hearing, for example where:
- The Application raises matters not canvassed previously;
  - The employer wishes to challenge any other information contained in the Application;
  - The employer wishes to object to the dismissed employee's preferred venue when the hearing is not being held in the NJC Office.

The employer should also include a written outline of the oral testimony of any witness it is intended to call.

- (b) In order to ensure there is no delay in the process, the employer shall submit a written Response to both the NJC and directly to the applicant no later than 10 working days prior to the date of the hearing.

The Response shall be collated into a comprehensively indexed bundle ordered chronologically with numbered pages.

The NJC and the applicant will accept the Response in electronic form provided it is indexed and collated into 1 file and contains no more than 50 pages. In the case of files in excess of 50 pages, 7 copies, indexed and collated, shall be sent to the NJC office and 1 copy to the applicant through the postal or other transport services.

Where more than 1 Response is submitted simultaneously, the number of pages shall be aggregated.

*NOTE: It is imperative that the content of the Response shall not include reference to any documents, emails, statements or other information which post-dates receipt of the Application by the respondent. Having had the benefit of studying the Application and the full case papers, the introduction by the respondent of later additional material can jeopardise the whole process.*

## F.3 CIRCULATION OF FULL CASE PAPERS

No later than 7 working days prior to the day of the hearing the NJC office will circulate the full case papers to the NJC Dismissal Arbitration Panel members, the parties and the appropriate NJC ROM.

## F.4 FACILITATION

After the submission of the Application to the NJC, the parties shall continue to explore any viable basis for a reasonable settlement. Where both sides agree it is appropriate, they may invite the NJC ROM to provide facilitation.

## F.5 HEARING DATE AND VENUE (NAECI 15.8.2(b)(ii))

- (a) Dismissal Arbitration Panel hearings held in London will normally take place at the NJC offices on the first or second Thursday of the month.
- (b) NAECI 15.8.2(b)(ii) provides for a local panel when a special request is made. Consideration for a local panel will only be given where the following apply:
- (i) There is no loss of time in arranging the hearing

- (ii) Provision of an agreed location with ease of access (travel)
- (iii) Provision of suitable accommodation with 3 meeting rooms
- (iv) Provision of full, administrative support.

The NJC ROM shall act as secretary to a local panel.

## **F.6 URGENT CASES**

In extremely urgent circumstances, and where agreed by the parties:

- (a) The NJC office may exempt the parties from compliance with some or all of the requirements set out in F.1 to F.4 above.
- (b) A hearing will be held at the earliest possible opportunity, subject to the availability of Panel members and the parties concerned. All reasonable steps will be taken to ensure that before the hearing

## **F.7 CONDUCT OF HEARING**

- (a) It will be the responsibility of the parties concerned to arrange for the attendance of their representatives at the hearing. Both sides should limit the number of representatives attending the hearing to the minimum that is necessary in order to ensure the proper presentation of their case. Representation should normally be limited to 4 persons from each side of whom at least 1 of the representatives on the trades unions' side is a local full time officer.
- (b) The Dismissal Arbitration Panel will include an equal number of trades union and employer members appointed in accordance with F.9 below. The secretary to the NJC Dismissal Arbitration Panel shall be responsible for securing sufficient available Panel members to conduct the hearing.
- (c) The hearing will normally follow the procedure set out below in (d)-(h) and Annex C.
- (d) The NJC Dismissal Arbitration Panel will elect a Chairman from a member of the panel who is also an NJC member. The Chairman will have a vote but not a casting vote. Chairmanship will alternate between the employers and trade unions.
- (e) The secretary to the NJC Dismissal Arbitration Panel shall provide guidance and advice to the Panel, in order to ensure that the hearing is conducted in accordance with the applicable procedural provisions of the NAECI and of this Appendix.
- (f) The dismissed employee's representative will be asked to present their side's case. This presentation should concentrate on highlighting the salient points contained in the Application and the written evidence. Questions of clarification may be asked by the Panel and by the employer's representative.
- (g) The employer's representative will then be asked to present their side's case. Questions of clarification may then be asked by the Panel and by the dismissed employee's representative, who may also respond to any new points which may have been raised by the employer's representative during their presentation.
- (h) Chairmen of NJC Dismissal Arbitration Panels will ensure that members of the Panel confine themselves during the hearing to seeking information from the dismissed employee and the employer. They should not express opinions or enter into arguments with, or in the presence of, the parties.

## **F.8 PANEL'S DECISION (NAECI 15.8.2(b)(iii)-(v))**

- (a) Decisions of the NJC Dismissal Arbitration Panel, which shall be binding on both parties, will be within the following categories:

- (i) Confirmation of dismissal;
- (ii) Re-employment on a specified date with or without continuity of employment;
- (iii) Re-instatement with continuity of employment and without loss of pay; or
- (iv) In conjunction with either (ii) or (iii) above, and if appropriate, a written warning.

It is not within the NJC Dismissal Arbitration Panel's jurisdiction to award a financial settlement other than as part of (iii) above.

- (b) The secretary to the NJC Dismissal Arbitration Panel shall provide guidance and advice to the Panel, in order to ensure that its decision accords with the requirements of the NAECI and is based on an accurate assessment of all the relevant evidence and circumstances of the appeal.
- (c) Every effort shall be made to reach a unanimous decision. If this proves impossible then the NJC Dismissal Arbitration Panel may reach a decision supported by a majority of those present.
- (d) There will no further right of appeal by the parties.
- (e) Decisions of the NJC Dismissal Arbitration Panel will normally be implemented with immediate effect. In the event that either party has practical difficulties in implementation they should seek the agreement of the NJC Dismissal Arbitration Panel to the time frame in which the decision will be implemented.
- (f) The secretary to the NJC Dismissal Arbitration Panel will be responsible for the typing and circulation of the Panel's decision and the provision of a full summary of the hearing to the NJC office.

## **F.9 APPOINTMENT OF PANEL MEMBERS, ETC.**

- (a) NJC Dismissal Arbitration Panels shall be comprised as follows:
  - (i) An equal number of trades union and employer members (normally 2 per side).
  - (ii) The inclusion of at least 1 current NJC member from each side.
  - (iii) The inclusion of no more than 1 nominee from each side drawn from a supplementary list.
  - (iv) The Panel Chairman to be a current NJC member.
  - (v) The secretary to the Panel (normally an NJC ROM).
- (b) The supplementary list referred to above shall consist of individuals who are nominated by the signatory trade unions and employer associations, and whom the NJC accepts as demonstrating:
  - (i) Recent knowledge and experience of the UK engineering construction industry and the NAECI; and
  - (ii) The ability to think and act independently; and
  - (iii) Mobility and potential availability at reasonably short notice.
- (c) The provisions of (a) and (b) above will not prevent an NJC Dismissal Arbitration Panel from being comprised of NJC members only (see also 'Note concerning transitional arrangements', below).
- (d) The NJC shall review from time to time the arrangements for paying Panel members' reasonable expenses and any fee.

## F.10 TRAINING FOR PANEL MEMBERS AND REPRESENTATIVES (NAECI 15.8.2(d))

- (a) The NJC shall ensure that Panel members and trades union/employers' association officials who are required to represent employees/employers at Panel hearings are competent to perform their respective roles.
- (b) As part of this process, the NJC shall develop a systematic and extensive induction/training programme for Panel members and representatives.

## F.11 NJC MONITORING AND REVIEW

The NJC shall closely monitor the operation of NJC Dismissal Arbitration Panels procedure. In particular it shall have regard to whether the procedure is fulfilling the objectives described in NAECI 15.8.2(c).

# ANNEX A

## DISCIPLINARY DISMISSALS CHECKLIST (NAECI 15.8.1(a))

In appeals brought under NAECI 15.8.1(a) ('Disciplinary dismissals (excluding the probationary period)'), the questions for the NJC Dismissal Arbitration Panel to consider will normally include (but need not be limited to) the following:

1. Was the employer's reason, or principal reason, for dismissing the employee, breach(es) by the employee of applicable rules/standards of conduct, competence and/or performance?
2. Did the employer undertake a proper investigation or appraisal of the employee's conduct, competence and/or performance?
3. Did the employer have reasonable grounds to believe that the employee had demonstrated an unsatisfactory standard of conduct, competence and/or performance?
4. Did the employer:
  - (a) Put these conduct/competence/performance issues to the employee;
  - (b) Offer the employee a chance to respond; and
  - (c) Where applicable<sup>1</sup>, give the employee a reasonable opportunity to improve?
5. Did the employer comply with other applicable procedural principles set out in:
  - (a) The National Agreement (NAECI 15);
  - (b) The employer's own domestic disciplinary procedure; and
  - (c) The ACAS Code of Practice?
6. Taking all relevant circumstances into account, was the employer's decision to dismiss the employee:
  - (a) Consistent with the employer's treatment of any other comparable cases cited by the employee or his/her representative at an earlier appeal stage; and
  - (b) Within the 'band of reasonable responses' open to the employer?<sup>2</sup>
7. Were any failings under 1-6 above rectified at an earlier appeal stage?
  1. *i.e. excluding cases of gross misconduct or incompetence.*
  2. *The 'band of reasonable responses' test has been defined as follows:*

- (a) A tribunal must consider the reasonableness of the employer's conduct, not simply whether they (the members of the tribunal) consider the dismissal to be fair.*
- (b) In judging the reasonableness of the employer's conduct a tribunal must not substitute its decision as to what was the right course to adopt for that employer.*
- (c) In many (though not all) cases there is a band of reasonable responses to the employee's conduct within which one employer might reasonably take one view, another quite reasonably take another.*
- (d) The function of the tribunal, as an industrial jury, is to determine whether in the particular circumstances of each case the decision to dismiss the employee fell within the band of reasonable responses which a reasonable employer might have adopted. If the dismissal falls within the band the dismissal is fair; if the dismissal falls outside the band it is unfair.'*

## ANNEX B

### REDUNDANCY DISMISSALS CHECKLIST (NAECI 15.8.1(b))

In appeals brought under NAECI 15.8.1(b) ('Redundancy dismissals'), the questions for the NJC Dismissal Arbitration Panel to consider will normally include (but need not be limited to) the following:

1. Was there a genuine redundancy situation?
  2. Was the pool for selection:
    - (a) Clearly defined; and
    - (b) Rationally defensible; and
    - (c) Consistent with the requirements of one of the options available under NAECI 16.4(c); and
    - (d) Free from unlawful direct/indirect discrimination?
  3. Were the selection criteria (including any tie-breaker):
    - (a) Clearly defined, and not overlapping; and
    - (b) Rationally defensible; and
    - (c) Objective and/or verifiable; and
    - (d) Free from unlawful direct/indirect discrimination?
  4. Were the weightings attached to particular criteria (if any) rationally defensible?
  5. Viewed overall, do the selection criteria appear to have been applied fairly and objectively?
  6. In the circumstances, was adequate consultation undertaken?
  7. Were reasonable steps taken to find alternative employment?
  8. Taking all relevant circumstances into account, was the employer's decision to dismiss the employee within the 'band of reasonable responses' open to the employer?<sup>1</sup>
  9. Were any failings under 1-8 above rectified at an earlier appeal stage?
1. *The 'band of reasonable responses' test has been defined as follows:*
- (a) A tribunal must consider the reasonableness of the employer's conduct, not simply whether they (the members of the tribunal) consider the dismissal to be fair.*
- (b) In judging the reasonableness of the employer's conduct a tribunal must not substitute its decision as to what was the right course to adopt for that employer.*

- (c) *In many (though not all) cases there is a band of reasonable responses to the employee's conduct within which one employer might reasonably take one view, another quite reasonably take another.*
- (d) *The function of the tribunal, as an industrial jury, is to determine whether in the particular circumstances of each case the decision to dismiss the employee fell within the band of reasonable responses which a reasonable employer might have adopted. If the dismissal falls within the band the dismissal is fair; if the dismissal falls outside the band it is unfair.'*

## **ANNEX C**

### **ORDER OF BUSINESS AT PANEL HEARING**

1. Panel meets in private
  - elects chairman.
  - considers written evidence.
  - agrees conduct of hearing.
2. Panel invites applicant's representatives and respondent's representatives into room.
3. Chairman
  - introduces Panel.
  - explains how the hearing will be conducted.
  - invites both parties involved to introduce themselves.
4. Applicant's representative presents case.
5. Panel questions\* applicant's representative.
6. Respondent's representative questions\* applicant's representative.
7. Respondent's representative presents case.
8. Panel questions\* respondent's representative.
9. Applicant's representative questions\* respondent's representative.
10. Applicant's representative sums up.
11. Respondent's representative sums up.
12. Panel privately considers its decision, which is based on its assessment of all relevant circumstances, and addresses the question of the applicant's travel expenses.
13. Panel gives its formal decision to both parties.
14. Panel issues a written communiqué.

*\* Questions are to be confined to questions of clarification.*



# Part 3: Appendix G

## **NON-UK CONTRACTORS AND NON-UK LABOUR ON ENGINEERING CONSTRUCTION SITES**

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## G.1 Background

Citizens of all but two of the European Union (EU) States have the automatic right of residency and employment in the UK and the National Agreement for the Engineering Construction Industry (NAECI) makes specific provision for the terms of employment of posted workers on in-scope work i.e. they must be paid the same as UK employees and strictly in accordance with NAECI.

NAECI section 5.1 gives companies the right to recruit whomsoever they consider to be the most suitable for the tasks in question. There will be occasions when, for varying reasons, a company may award a package of work to a non-UK contractor (many of whom are already in membership of ECIA). Non-UK contractors may already employ some labour resource which they may have used on previous projects and which they may choose to utilise on the work they have secured in the UK. Provided that this labour force consists of EU citizens (from 1 January 2014, this will also include those from Bulgaria and Romania who at this point will acquire the right to work in the UK) using such employees is entirely lawful within both European and UK law.

## G.2 Early action

The Managing Contractor should give full consideration to industrial relations matters in developing the tender, contract strategy, evaluation and award. At the earliest stage the Managing Contractor should ensure that their procurement department, especially if based outside the UK, is aware of the principles and guidelines of this Appendix in order that any appointed non-UK contractor will be in full compliance with the NAECI terms and Employers' Organisation membership conditions. For a new NAECI Section 20 project the ECIA will provide additional employment relations support. This will include a Section 20 meeting, at which ECIA staff will provide the Managing Contractor with information about: the industry; NAECI; the industrial relations landscape; and topical issues etc. The Trade Unions will be invited to provide a representative to attend the appropriate portion of the meeting to provide information from a trades union perspective.

Where a non-UK contractor is determined, the Managing Contractor (or Major Contractor where appropriate) should seek clarification and assurances to:

- Ensure that the non-UK contractor is aware that the project requires all in-scope labour to be directly employed under the terms of NAECI. Check that the contractor understands its obligations under the NAECI and if necessary use the services of ECIA regional representatives to reinforce this. It is a requirement that the hourly pay rates, allowances etc of non-UK labour are fully compliant with NAECI (and this will be transmitted to the workforce in an understandable form), which will ensure parity of terms and conditions of employment. The non-UK contractor will also be made aware of the content of the SPA and comply with its contents (including site auditing provisions and payroll audit).
- Confirm that the non-UK contractor is aware that in order to access National Joint Council (NJC) procedure they must be in membership of ECIA. If they are not already in membership they are required to contact ECIA as soon as possible.
- Confirm that the non-UK contractor is aware that if they need extra labour, in addition to those already employed outside of Britain, they must advertise in the UK, as well as in the contractors' home country, and that UK workers who apply are considered in the same way as anyone else.
- Confirm that if the non-UK contractor chooses not to employ more workers directly, but needs to source additional temporary labour, that they are made aware of the details of Employment Businesses who are in membership of ECIA.

All contractors are obliged to determine the appropriate supervision requirements for their employees.

### **G.3 Advance Notice**

The Managing Contractor (or Major Contractor where appropriate) will ensure that there is meaningful consultation with the local trades union officer/site stewards, at the earliest opportunity, to discuss with them:

- The name of the appointed contractor
- The relevant scope of work
- The resourcing strategy to be pursued

Managing/Major Contractors will not allow a situation to occur whereby non-UK labour has already mobilised to a site before the trades unions have been formally advised in a reasonable timescale.

### **G.4 Equality of Opportunity for UK Workers**

The non-UK contractor should explore and consider the NAECI trades that are available locally and consider any applications that may be forthcoming. It is essential that UK workers have equality of opportunity to apply for employment where both UK and non-UK contractors identify that they have vacancies.

#### **Pre Job (on a new project)**

Prior to the commencement of a new large project, the Managing Contractor should enter discussions with the local Job Centre. The Job Centre should be informed of the nature of the project and its likely start and finish dates. It should also be informed of the likely need to recruit all NAECI trades. The Job Centre will then publicise a vacancy and will, over time, collect the details of up to 200 applicants for each of the different types of vacancy. This will create a pool of readily available potential applicants, in each trade, that any contractor on the project can draw from when, for example, they are seeking applicants for welding vacancies.

#### **Ongoing Projects**

The above approach is less practical where the project has either already commenced, or is an ongoing repair and maintenance project, and vacancies arise only sporadically rather than there being a need to recruit significant numbers to man-up a project.

In these circumstances an alternative approach can be taken which would assist local workers to have every opportunity to apply for vacancies as they arise. When a vacancy is identified employers should:

- Contact the Job Centre nearest to the project. It may be possible to instruct them to advertise the vacancy on an exclusive basis for 72 hours (i.e. 3 working days).
- If this is not possible, or the first step does not generate sufficient suitable applicants after this period of 72 hours has elapsed, the job centre should be requested to release the vacancy for circulation to all job centres nationwide, but instructed not to release details of the vacancy to the EURES European Job Board systems.
- If, after a combined period of time of 5 working days, sufficient applicants have still not been generated, then the vacancy advert should be released to a much wider audience.

This process applies equally to non-UK contractors, who identify a need to recruit further employees in excess of their regular workforce and it should ensure that vacancies are advertised in UK Job Centres, before any initiatives to recruit from the rest of the EU take place.

## **G.5 Continue dialogue with non-UK contractor prior to mobilisation**

The Managing/Major Contractor should ensure that the non-UK contractor is aware of the requirements of UK Health and Safety legislation. Depending upon the non-UK contractor's labour mix and supervisory capability there may be some language issues around signage and dissemination of information. ECIA may be able to provide some health and safety material that has been translated into some other European languages. Additional health and safety guidance can be found in the NAECI Guide to Health, Safety and Welfare.

The Managing Contractor should confirm that the non-UK contractor is aware that he must satisfy himself of the competence of his workforce to perform the tasks required to complete the contract. ECIA Regional representatives are available to discuss any issues around confirming the correct NAECI grade for particular skills.

Additionally, all contractors are legally required to ensure that their employees can provide the necessary documents to evidence their right to work in the UK.

## **G.6 Public relations**

The release of factually accurate information at timely points is a pre-requisite for good public relations. Whilst discussions with trades union representatives will be continuous, there is merit in giving the site as a whole, advance notice of the mobilisation of non-UK labour.

## **G.7 Facilities and welfare**

The Managing/Major Contractor should confirm that suitable and sufficient welfare facilities (cabins, washrooms/toilets, catering facilities, inclement weather shelters) are available and regularly serviced. Because of cultural differences, non-UK workers may have different expectations with regard to food. Encourage integration of the workforce where possible, but give consideration to whether current catering arrangements are appropriate for the nationalities represented. Non-UK labour may also be unfamiliar with the duration and frequency of refreshment and meal breaks under the NAECI. This may require some management input in the period after mobilisation. However, only in extreme circumstances and following local agreement can a SPA be amended to incorporate any deviation from the standard NAECI daily work pattern.

Non-UK contractors must also comply with the NAECI provisions around the scheduling and taking of periodic leave.

## **G.8 Summary**

This Appendix has been issued to:

- Ensure that UK workers have equality of opportunity to apply for vacancies;
- To encourage companies to establish and maintain good communication between all the parties;
- To help determine harmonious industrial relations, likely to be best achieved through meaningful consultation and working together.



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