



## Q&A: Unite’s industrial ballot and what it means for you

This Q&A document is designed to help answer your questions about who the OCA is, what we have offered Unite and GMB members and what the forthcoming industrial ballot could mean for you. If you have further questions, please contact your HR department.

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## The Offshore Contractors Association and the offer on the table

### Q. Why is an industrial ballot taking place?

A. The Offshore Contractors' Association (OCA) negotiates an agreement known as the Offshore Contractors Partnership Agreement (OCPA) with Unite and GMB each year. The agreement sets out base pay and conditions for offshore workers employed by member companies, forming the basis for many employment contracts.

Over the past year, the OCA has been negotiating with Unite and GMB over the 2016-17 agreement. During this time the oil price has fluctuated around \$50 a barrel, falling as low as \$25 a barrel at the beginning of 2016. At the same time, according to the International Monetary Fund, the UKCS remains one of the most expensive basins to do business in. OCA companies continue to face ongoing demands to reduce costs and increase efficiencies. Over the past two years the industry, both onshore and offshore, has encountered rate cuts and salary freezes, a significant reduction in headcount, as well as variations to work patterns and changes to terms and conditions.

In May 2016, the OCA received a wage claim from Unite and GMB for:

- Substantial wage increase
- Improved sick pay
- Introduction of paid travel time to employers' onshore base

Following negotiation meetings in August, September, November, December and January with the trade union officials and stewards, two offers have been made and rejected by union members through consultative ballots.

The latest offer was rejected by Unite and GMB members on 20<sup>th</sup> March 2017:

- Base rate increase by 2%
- Sick pay increase by 2%
- Standby increase by 2%
- Holiday pay increase by 2%
- Training Rate increase by 2%

In an attempt to develop a better understanding of why union members rejected the proposed pay offer, OCA member companies met with Union officials and shop stewards of both Unite and GMB on Wednesday 19<sup>th</sup> April. The session was facilitated by the Advisory, Conciliation and Arbitration Service (ACAS).

Unfortunately, both recognised unions refused to engage in constructive discussions and OCA representatives were unable to gain a better understanding as to why the offer was rejected in order to progress with the negotiations.

Subsequently, we have received notification of the intention to ballot our employees for Industrial Action.

#### **Q. What offer did the OCA make to Unite and GMB members?**

A summary of the offer is as follows:

##### **January 2017 to March 2018**

An increase in base rate which has a favourable impact on these following pay elements:

- **base rate** £19.31 to £19.70
- **sick pay:**
- weeks 1-13 £183.32 to £186.99 plus SSP
- weeks 14-28 £476.63 to £486.16 plus SSP
- **holiday pay** £19.31 to £19.70
- **training rate** £19.31 to £19.70
- **standby** £19.31 to £19.70

##### **April 2018 to March 2019**

An increase in base rate which has a favourable impact on these following pay elements:

- **base rate** Minimum £20.09, maximum £20.29 (depending on CPI in January 2018),
- **sick pay**
- weeks 1-13 minimum £188.82 to a maximum of £190.73 plus SSP

- weeks 14-28 minimum £495.88 to a maximum of £574.00 plus SSP
- **holiday pay** minimum £20.09 to maximum £20.29 depending on CPI
- **training rate** minimum £20.09 to maximum £20.29 depending on CPI
- **standby** minimum £20.09 to maximum £20.29 depending on CPI

**Q. Will I lose money if I participate in industrial action?**

A. Yes. Any employee who participates in industrial action of any kind will not be paid for the period in which they are taking action. The loss of earnings will vary according to your contract of employment but as a minimum, an employee participating in industrial action would lose a minimum of per hour:

- Category A - £20.76
- Category B - £19.31
- Category C - £18.34
- Category D - £12.87

In comparison, had the members of Unite and GMB accepted the offer made in January 2017, employees would have received the following additional payments.

	Impact of Rejected Pay Increase			Rejected Value
	Current Base Rate / Hour	Rejected Increase	Hours worked on equal time rota	
Cat A	£ 20.76	£ 0.42	672	£ 282
Cat B	£ 19.31	£ 0.39	672	£ 262
Cat C	£ 18.34	£ 0.37	672	£ 249
Cat D	£ 12.87	£ 0.26	672	£ 175

**Q. If I choose not to strike will I still be paid?**

A. Yes. If you have not breached your contract of employment you will still be paid. To ensure this, you must make yourself available for work by informing your offshore supervisor that you are available offshore or by attending for check in.

**Q. I thought a ballot had already taken place, so why is there another?**

A. There have been three previous ballots. The first was a *consultative* ballot asking Unite and GMB members if they were willing to accept the proposal made back in September 2016. The second asked if members were willing to accept the offer made in November 2016 and the third most recent consultative ballot closed on March 20 2017. Because both Unite and GMB members voted no in this most recent ballot, Unite are now holding an *industrial action* ballot. If the members of Unite vote in favour of this ballot, offshore roles detailed in the OCPA may take industrial action, such as strike.

**Q. Which companies are members of the OCA?**

A. The Offshore Contractors Association (OCA) has 9 full members: Amec Foster Wheeler, Aker Offshore Partner Ltd, Brand Energy & Infrastructure, Cape PLC, Muehlhan Industrial Services, Petrofac, Sparrows Offshore Services Ltd, Stork Technical Services Ltd and Wood Group Ltd

**Q. Does the OCA offer apply to salaried personnel?**

A. The OCA mandate is to negotiate the base terms as laid out in the OCPA (as per appendix D). The offer made is an increase to the OCA base rate. How the offer translates for individual employees will depend on their terms and conditions of employment with their employer.

The view of the OCA employers is that in a period of cost cutting, reduction in employment terms and redundancy, increasing the pay variation between employees paid at the base OCA rate and those on enhanced salary packages is not a fair allocation of restricted money across our employees in comparable roles.

It was agreed by the unions and employing companies in line with 2014/15 negotiations that there is a requirement to review the OCPA to include salaried employees. Unfortunately, due to the protracted negotiations for 2016/17, there has not been agreement with the trade unions on how this will look. The OCA member companies remain committed to this review and the inclusion of salaried employees

**Q. Is the 2% offer off the table completely now that it has been rejected by a majority of the trade union's membership?**

A. No, the OCA offer of 2% increase to base OCA rates and associated elements remains available and member companies will deliver this if the workforce and union officials accept it.

**Q. Is there or will there be a revised offer to try and avoid strike action?**

A. The 2% offer as outlined remains available. There is no alternative offer.

**Q. Does the OCA support the ballot? Will the OCA try to stop us from voting?**

A. We support the workers' right to have their say and we encourage those who are eligible to vote to make their voices heard. Equally, we recognise that many of the employees of OCA member companies are not members of the recognised trade unions and we welcome their feedback either through their employing companies or via shop stewards. Details of stewards are available from the recognised trade unions or from the employing companies.

## Does the ballot affect you?

### Q. Does the ballot affect me?

A. As at 26<sup>th</sup> April, OCA member companies have received notification from Unite of their intention to ballot for industrial action. If you are a member of Unite and are in a role detailed in Appendix G of the OCPA, you are entitled to vote in the ballot for industrial action.

If you are employed by a member company in one of the roles detailed in the OCPA but are not a member of a recognised trade union, you will not be entitled to vote but you may still be impacted by the ballot result for industrial action.

### Q. My package is significantly over and above the OCPA. Does the ballot still affect me?

A. Yes. If you are a member of Unite and are in a role detailed in Appendix G of the OCPA, you are entitled to vote in the ballot for industrial action, regardless of your personal employment terms agreed.

Equally, If you are employed by a member company in one of the roles detailed in the OCPA but are not a member of a recognised trade union, you will not be entitled to vote but you may still be impacted by the ballot result for industrial action.

### Q: I am not a member of either OCA recognized trade union. Does it even matter what I think?

A. The result of this ballot affects everyone who works in the oil and gas industry, regardless of your role or whether you are a union member. OCA member companies are working to secure the future of the oil and gas industry in the UKCS. Only by acting in this way will we be able to provide sustainable future employment for the majority of employees working in the industry. Strike action threatens that future. Although you cannot vote in the ballot you should make your views heard to your employer and your colleagues.

### Q. What happens if I don't vote?

A. If you are a union member and you choose not to vote, you do not make your opinion heard. Strike action could cause significant, irreparable damage to the North Sea industry by sending a clear signal to investors that the basin is a high risk investment and therefore threatening future jobs.

## Strike action: who would take part and what would happen

**Q: I am a member of a union but not a Unite member. If industrial action is approved, do I have to take part in it?**

A. No, nobody can be forced to take part in industrial action. It is an illegal offence for someone to force another person to participate in industrial action. Other workers may attempt to persuade you to take part. They must do so peacefully without using coercion or intimidation. You are entitled to report any such attempts to your supervisor or HR representatives.

If any employee, regardless of whether they are a union member or not, decides to participate in unprotected or unofficial action, they will be in breach of their contract of employment and may reduce their pay as a result of the action. For example, employees who go on strike will not be paid and the period of time labour is withdrawn will not count towards continuous service. Protection from dismissal may not apply to you if the union hasn't given your employer the correct notice of industrial action or if the action is in support of workers of another employer.

**Q: I am a member of Unite and plan to vote 'no' to strike action. If industrial action is approved, do I have to take part in it?**

A. No. Even if the majority of votes are in favour of industrial action, you cannot be forced to participate, regardless of how you voted in the ballot.

**Q. What does industrial strike action involve i.e. what does it mean to go on strike?**

A. If the ballot produces a 'yes' vote in favour of industrial action, Unite may call upon its members not to work or to take other action which disrupts operational delivery. If you are onshore at the time the action begins you may be asked by the unions not to travel to work. If you are offshore you may be asked by the unions to stop working. You may then be removed from the installation or held in your cabin or another location for the duration of the action.

Any employee who participates in industrial action will be in breach of their contract of employment and will not receive pay for the period during which they participated in strike action, their period of continuous service will also be reduced by the equivalent time. Employees who participate in unlawful industrial action will be the subject of disciplinary action which will be taken into consideration for future employment and for any future redundancy activity.

**Q: If industrial action is approved, when would it actually take place?**

A. Unite have provided the required one weeks' notice of their intention to issue the ballot papers reference potential industrial action. The ballot will remain open until 30 June 2017. If a majority yes vote is returned, the unions must then give employers two weeks' notice of members' intention to take industrial action and action must take place within 6 months of the result of the ballot.

**Q. How will strike action be communicated to me?**

A. Union officials will contact you using the contact details you have provided to them.

**Q. Will I lose my job or be blacklisted if I strike?**

A. No, blacklisting is unlawful and the law protects workers from dismissal whilst taking part in lawful industrial action. Provided the unions hold a lawful statutory ballot you would be protected for up to 12 weeks while taking part in industrial action. It is worth bearing in mind that you may also be putting your job at risk – strike action could result in the loss of your employer’s contract with its client.

This is a peak period for many offshore activities; it is possible that some operators may require to factor in the impact of industrial action when scheduling work scopes; and this may impact employees.

**Q. What happens if we decide to strike now before a ballot is run?**

A. The law only protects workers from dismissal whilst on strike if a lawful statutory ballot has been held. If you decide to strike before the ballot is concluded and before your employer has been given statutory notice by a trade union, the action will be unlawful and you will not be protected. In this situation, your employer would be within its rights to dismiss you from employment.

**Q. Will people on strike offshore be removed from the installation? Can they refuse?**

A. Workers on strike may be removed from the installation. If they refuse to do so voluntarily legal action will be taken. This is necessary to maintain the safety of all individuals on the installation.

**Q. I am not going on strike. What if a strike begins if I am on field break? Will I get paid if there is a delay?**

A. You should report for work on your normal rota. If you are delayed in starting your shift due to operational reasons such as weather, you will receive standby pay. If you are delayed as a result of industrial strike action your payments may be suspended. This is why we are asking everyone to make their views on potential action known to colleagues, trade unions, workplace union representatives working offshore and to their employer.

**Q. I am not going on strike. Would strike action result in delays getting home? If I get held up offshore past my official rotation will I get paid?**

A. You may be delayed in getting home as a result of strike action. You would be paid for this time. You would not receive additional time at home as a result of the delayed demobilisation due to colleagues taking industrial action.

**Q. I am not going on strike. Will I be asked to stay extra hours to make up lost time or to cover for those on strike?**



A. Employers will stick to regular rotations as far as possible.

**Q. What impact would industrial action have on offshore operations and the wider industry?**

A. Strike action could cause significant, irreparable damage to the North Sea industry by sending a clear signal to investors that the basin is a high risk investment and threatening future jobs.

**Q. How will safety be maintained during strike action? Who will cover safety critical roles?**

A. Employers will be provided with the required statutory notice of industrial action and have detailed contingency plans to deal with strike action. Safety is the first priority and employers will ensure that there is no safety risk as a result of strike action. If necessary, installations will be shut down.

**Q. Are our safety reps being engaged on strike action?**

A. Employers will work closely with safety reps on contingency plans to ensure that safety is maintained during any strike action.

## After strike action

**Q. Will there be a change to the package we were offered? Is the offer likely to be reduced?**

A. The OCA's current offer remains on the table. It is the best offer that the OCA can make in the current industry circumstances. We are hopeful that members of Unite recognise this.

If Unite members vote against strike action in this ballot, Unite's leadership could declare the dispute resolved and ask the OCA to implement the offer. Alternatively, they could hold another *consultative* ballot on the offer. Once the dispute is resolved the OCA will honour the offer and payments will be back-dated to 7<sup>th</sup> January 2017.

**Q: What happens if the Unite membership continues to reject the proposed package?**

A. This decision will reside with the recognised trade unions. . If strike action continues beyond 12 weeks employees will no longer be protected from dismissal. Employers may lose contracts with their clients, putting jobs at risk. The OCA remains committed to the 2% pay offer and firmly believes this to be fair in the current market