



Introduction to the ESA

What is the ESA?

The ESA is the new collective bargaining agreement that came into force on 19 February 2021. The agreement has been created to replace the previous agreement – the offshore contractors’ partnership agreement (OCPA) which ended in December 2020.

You can access the agreement via the [OGUK Website](#). You are also able to download the OGUK App and access the agreement via the App for ease of use on a mobile phone.

What does it mean for me?

The ESA will outline the minimum base rates of pay for hourly, day rated and salaried employees, based on the number of hours paid, including holiday payment, to increase transparency and understanding of base earnings.

<p>Bargaining Unit <i>Who is covered?</i></p> <p>OGUK</p>	<p><i>Who is included?</i></p> <p>Many people ask, who is covered by this agreement, am I included? The answer to this question is simple and is answered by outlining who is covered by the bargaining unit.</p> <p>You are included if you are...</p>
<ul style="list-style-type: none">• working for one of the signatory companies listed in Appendix 1 of the ESA.• employed under the grades and trades listed in Appendix 2: Grades and Disciplines regardless of how payment is received.• employed to work offshore on the UKCS within the oil and gas energy services sector.• engaged in construction, commissioning, modifications, maintenance, operations, decommissioning.	

Implementation of the ESA – what is the timeline?

Each of the 14 signatory companies are in the process of implementing the new agreement. This should be complete by the end of June 2021, with one or two exceptions – your employer will have advised if there is any change to your implementation date.



Rate Adjustment Mechanism

What is the RAM and why is it important?

The rate adjustment mechanism will be used to review annually the base minimum rates of pay as published within Appendix 3 Schedule of Rates of the agreement.

The rate adjustment mechanism uses published data to determine the percentage adjustment that will be applied to the current base rate of pay. The calculation will be carried out in August of each year by OGUK and advised to all before the base minimum rates of pay being adjusted with effect from 1 January of the following year.

<p>How is the RAM calculated?</p> <p>Inflation (Consumer Price Index) over the previous 12 months (August to July each year) will be averaged to establish the inflationary increase that will be applied to the base minimum rate of pay.</p> <p>Using the average Brent Spot Oil price \$/ barrel and Day Ahead Gas Price pence/therm over the same 12-month period will then be used to establish what additional adjustment will be applied to the inflationary (CPI%) adjustment applicable for the following year.</p>	<p>Working example</p> <p>August 2020 to May 2021 – 10 months of data.</p> <p>Average CPI % rate is 0.77%</p> <p>Average Oil Price is \$53.20</p> <p>Average Gas Price is 43.81 p/therm</p> <p>Using the data to date the base rate would increase by 0.77% for CPI and a further 1.06% from the commodity price adjustment.</p> <p>*Final figures will be calculated and advised at end of August 2021.</p>
<p>How will the RAM be applied if my terms and conditions are enhanced above the ESA base rate?</p> <p>As outlined within the ESA, any adjustments determined by the annual RAM will only be applied to the minimum base rate and related allowances as specified in Appendix 3: Schedule of Rates 2021. Thereafter it will be at the discretion of each respective employer whether any adjustments are made to enhanced elements. All elements enhanced above the base minimum outlined in Appendix 3: Schedule of Rates 2021 should be advised to employees in writing.</p>	<p>Working example</p> <p>Employee A - £320 per day, Instrument Tech. ESA grade 1 base rate is £301.08.</p> <p>Equals £18.92 enhanced above the base rate.</p> <p>Using the figures calculated above, the new base rate becomes £305.67 per day. Employee A, day rate would increase to £324.59.</p> <p>Remembering the output from the RAM is only applied to the base ESA rate not any enhanced terms.</p>

Codes of Practice

What is a Code of Practice?

The purpose of this Code of Practice (COP) is to provide support, direction, and aid a consistent and standardised approach to the subject content. COP is intended to encourage a common approach and to avoid duplication of effort.

Where can I access them?

You will be able to access the COP via the OGUK website, where the most up to date version will be hosted once published.

What is the timeframe for the others being created?

The first 2 Codes of Practice are ready to publish. The remaining 3 will follow over the course of this year.

If you have a particular interest in the remaining 3 COP, please let us know and we can look to gain your involvement in the workgroup that will be established to create these documents.



Workforce Engagement forum



What is the workforce engagement forum and when are the meetings?

The Workforce Engagement forum meets quarterly in the months of February, May, August, and November.

The sessions are attended by representatives from the signatory companies, the trade unions and the workforce.

The purpose of the group is to –

- support the strategic objectives of the Energy Services Agreement, actioning and achieving objectives set by ESA Signatories.
- discuss, debate and approve non-financial updates to the Energy Services Agreement in line with legislation, updated industry requirements or to benefit the efficient and effective running of the agreement.
- increase employee voice across the scope of the Energy Services Agreement.

If you are interested in getting involved, please speak with your trade union official or your employing companies HR team – we would like to encourage more employees to get involved and help grow and develop the Energy Services Agreement.

Thank you to the following workforce reps that attended the May session –

- David Dunsmore, Wood on the Solan,
- Don McKendrick, Altera on the Hummingbird,
- Harjinder Singh, Wood on the Brae,
- John Syrett, Stork on the Shearwater,
- Johnnie Carr, Wood on the Nelson and
- Lee Gamble, Wood on the Brent Charlie.

If you have any questions or suggestions that you would like us to consider including within this newsletter, please contact the team on ESA@oguk.org.uk