

COMMITTEE OF COMPANY SIGNATORIES TO THE OFFSHORE DIVING INDUSTRY AGREEMENT (ODIA)

WORKFORCE UPDATE – DECEMBER 2010

Stakeholder Forum

The first meeting of the new joint ODIA Forum (including worksite / vessel reps, contractor managers, company reps and labour supply company managers) took place on Thursday 11 November and considered a wide range of topics, which this Update covers below.

Eddie Campbell, Derek Moore and Jake Molloy attended for the RMT. We are still looking for Company Reps for the workforces engaged by Bibby Offshore, ISS, Technip and RBG, and both the signatory companies and the RMT would be keen to hear from anyone who might be interested. Please contact the ODIA Coordinator or the RMT for further details.

The aim of the Forum is to promote constructive industrial relations within the diving industry in the UK sector, the pursuit of improved workforce engagement to enhance understanding of mutual issues, and the establishment of an inclusive forum for discussion of relevant matters and collaboration on shared projects.

The possible new Compensation Schemes

The most discussed topic was the Signatories' conclusions on the so-called 'Lobby' schemes – the schemes we said we would try hard to introduce, subject to being able to recoup the costs from clients.

Essentially, the Signatories had concluded, with regret, that we are unable to introduce the schemes, but that we wished to propose a 'compromise' solution for the Standby Scheme.

A detailed explanation was set out for the Reps; the outcomes of research conducted by the Signatories were shared, as was a candid assessment of the issues we had to consider in the course of reaching our conclusion:

- business conditions for 2011 are looking difficult and, while the medium and long-term prospects for the UK sector are 'not dismal', there is little expectation generally that business conditions will improve significantly. There is overcapacity in DSVs which will lead to greater competition for the work which is available. Clients are still focussed on maintaining a low cost base and there is little opportunity for gaining payment through variations (which are already being scrutinised and challenged) or from contract overheads (which are not even receiving RPI escalations)
- the results of the trial / cost exercise identified significant practical and cost difficulties with both schemes
 - The Standby Scheme, because of the unpredictability and scale of the payments which would be generated by the scheme, and
 - The Extensions Scheme, as it was complex and costly to manage (internal costs would not be recoup-able) and would cost more to manage than simply paying out the £100 per day to each ODIA worker. This would drive up the labour cost base in a way which would be unacceptable to clients
- the 'domino effect' (of introducing the two schemes for ODIA personnel in the UK sector) on other disciplines on vessels and worksites was viewed as considerable, as either difficult to justify and manage, or costly to apply across the board
- meetings with client managers have identified the same theme - their need to have control and a final say on whether the payments should be made, on a job-by-job basis, rather than having

additional costs 'imposed' on them. Many clients are happy to pay standby where there is a reason to do so, but they expect control over such variable costs

The RMT expressed real disappointment that the efforts they had made to agree schemes, which they felt resulted in some significant compromise on their behalf, had been rejected. They undertook to consult and submit their response so that this could be incorporated into this December Workforce Update.

Meantime, 2 specific points were made:

- the signatories could do more to push for standby payments on a job-by-job basis when delays do occur, even if such a scheme was not set out in the ODIA itself (*The signatories had thought about this option, too, and proposed a 'compromise' that we always proactively seek payment in respect of standby when delays occur outwith a 3-day window and, where clients agree, always pass on a standby payment to the workers affected. This would address clients' concerns about control of variable costs but, at the same time, would commit us to making a proactive approach on behalf of the workers who are affected by these delays*)
- the OCA lives with a Standby Scheme so why can't the ODIA follow that model? (*The Coordinator had met with some OCA managers who agreed they like the fact that the scheme is embedded into the national agreement, but they recognise that it would be impossible to introduce such a scheme, now, into the OCA. It has become part of their cost base but would not be entertained as a new cost item, now*)

The RMT subsequently submitted its written response, highlighting the following points:

1. the Signatories should insist that clients pay for changing schedules through imposing penalty clauses in contracts, as they are quick to do it to us – the 'compromise' option just indicates that contractors can't be bothered challenging clients on this
2. the cost resulting from the Extensions scheme could be avoided simply by ensuring timeous transport arrangements, and the only personnel who would then be eligible are sat divers unable to travel
3. the 'domino effect' argument already applies regarding other ODIA pay and benefits and the different treatment can be explained by the existence of the collective agreement with the RMT, and
4. the Signatories have reneged on their agreement by making the schemes unworkable, and this may have repercussions during the next round of pay negotiations

The Signatories understand that ODIA workers will be disappointed about this, and we will discuss RMT and workforce reaction at our next meeting in January. We are keen to stress, however, that we have not *reneged* on an agreement with you and the RMT – our commitment was to work hard to produce the schemes, but delivering them was always subject to being able to recoup costs. That we believe we can't deliver them is regrettable, but we genuinely tried – this has not been a superficial exercise.

We would be keen to hear your feedback on this, through the Company Reps or direct to the Coordinator – and we will consider your reactions at our January meeting.

Competence and Training

The Signatories reported that our key areas of work over the next year are to be

- developing a 'competence passport' arrangement which could operate amongst the 8 companies, to put to the RMT for consultation in Autumn 2011

- identifying measures which would support very-transient workers access and make progress through competence programmes
- exploring possible common ground on 'currency' of competence
- reviewing the kinds of training / qualifications which contractors would wish diving personnel to hold to guide personnel on what to spend their Divers' Additional Training Allowance on, as the RMT had identified concerns in respect of what the Allowance was supposed to cover and the level of the Allowance itself

The RMT clarified that the Divers' Additional Training Allowance (DATA) was based originally on CSWIP – because that was the only relevant course at the time. Derek Moore had completed some detailed research on the level of the Allowance given what contractors were now requiring, and he highlighted concerns about the level, particularly for surface-supplied personnel. The RMT said that the DATA was to encourage divers, supervisors and superintendents to undertake that training, and there was an element in the bell diver Allowance in recognition of their obtaining the bell certification. Part of both Allowances was ring fenced for obtaining First Aid certification as this was mandatory.

There was agreement that it would be worthwhile to look again at what the Allowance was supposed to cover for the 5 job functions, although it was noted that there might not be common ground amongst all the signatory companies. The RMT believes that it falls to the signatory companies to set out their ideas which could then be put to the reps and workforce for feedback, and this was agreed.

Matters raised by the RMT

The Company Reps raised a number of issues which were discussed, and actions agreed, including:

1. how the ODIA insurance provisions are applied by an agency (*this was resolved*)
2. workers' rights and obligations regarding employee NICs (*a possible solution has been identified, and further details to be fed back to the RMT in the New Year*)
3. expectations by the Signatory companies that diver medical consultations are conducted by a diving doctor approved by the HSE, *and diving personnel who believe this has not happened should report it to the relevant contractor*
4. it is for the Duty Holder to determine application of MIST to personnel working on vessels within the 500m zone – IMCA had recently issued advice on this
5. whether, and how, a good-practice diving contractor outwith the 8 Signatory companies could get more involved in the ODIA network. (*It was noted that the signatories had created the status of 'Affiliate' contractor member but how this might be implemented had been deferred pending progress with the Stakeholder Forum – this to be reviewed in the New Year*)
6. frustration with the plethora of diving certificates required to work in different parts of Europe and worldwide, and the costs to contractors of sending personnel to do 'top-up' courses - RMT felt that the industry would benefit from a European or worldwide standard. (*Agreed this best progressed within IMCA, and Roy Hay of Technip who is Vice-Chair of IMCA's Competence and Training Committee had volunteered to liaise with Derek Moore to do so*)

Improving information and consultation

The question of how we might better communicate and share information and views was deferred to the next meeting, and for further discussions between the Coordinator and the Reps.

Further information, comments, complaints or questions on this Update?

Please contact Val Lockhart on info@odia.org.uk , 01224 526431, or your company RMT rep, Derek Moore DIVEATDEREK@aol.com ; the RMT office 01224 210118, or visit the company signatories' website www.odia.org.uk

