

2017 Energy Annual Report

Foreword from Jenny Middleton, Chair of the Energy Service Group Executive

Objective 1..... Recruiting, organising, representing and retaining members

Objective 2..... Negotiating and bargaining on behalf of members and promoting equality

Objective 3..... Campaigning and promoting UNISON on behalf of members

Objective 4..... Developing an efficient and effective union

UNISON energy service group executive – 2017 Annual Report

Foreword

We are pleased to present you with this year's Unison Energy Service Group Executive annual report for 2016-2017. The report has been put together with information provided and based on hard work that your branches and you have done this year and it is a testament to everyone who works in Energy within UNISON that the report is as comprehensive and informative as ever and I thank you all for this. It is only with all your hard work and dedication that we continue to build our membership within the Energy businesses that UNISON has representation and recognition in.

I have continued in my role as Chair of the Energy Service group for the last twelve months and again it has proved an interesting and challenging year. I would personally like to thank everyone involved with the Energy service Group exec and the staff who support the work we do throughout the year.

In my introduction last year I talked about the election of the Tory Government and what challenges that would bring in the form of legislation from the Trade Union Bill. Although not all of the measures that UNISON campaigned against were removed, we should as trade union activists be proud of the challenges we made and the concessions that we won. Climb downs by the government over Docas subscription payments, plans to restrict union political funds and a review of online methods for strike ballots were obtained by the hard work and campaigning done by UNISON and other unions through the passage of the bill through Parliament. And although the Bill did come into law, the amendments now in place still allow unions to provide the vital support to workers both in the private and public sector.

And so the last 12 months has been and gone and how has Energy fared? As those of you who attended last year's National Delegate Conference will remember, we woke up on Friday morning to the news that the British people had voted to leave the European Union, a sense of disbelief and what would happen next, spread throughout UNISON and this has also impacted on ourselves as members. Many of the companies that we work for are part of large European conglomerates and have businesses that cover several countries. How Brexit and the impact of the vote will affect these companies and the work practices that they have in this country remain to be seen. Will it involve job losses, changes to terms and conditions and other issues that will affect our members? Brexit and all its implications is something that UNISON will face head on and all of the areas that it will affect are issues that UNISON and the Energy team will campaign on, whether it's the right of EU nationals to remain and work in the United Kingdom to any challenges to workplace and employment rights. The Lock Case regarding holiday pay against British Gas was a case taken by UNISON all the way to the European Court of Justice and without our member's right to appeal to this court because of membership of the European Union then who knows if the outcome would have been completely different.

Many Energy companies over the last twelve months have experienced job losses and whilst any loss of members is regrettable, it is also on a positive note that many branches have seen positive recruitment figures and it is through the hard work of the grassroots stewards and reps that this recruitment takes place. The rivalry over the winning of the Mike Jeram trophy each year at the Energy Seminar in November is worth waiting for. It is often through word of mouth or a rep being in the right place at the right time that a member will be recruited and experiences the benefits of being a member of a union and what it can do for them. So please continue to go out there and recruit and talk your existing members about what their issues are in their workplaces and then you may find that an issue that you thought was only applicable to your members may in fact be something that is affecting members nationally. This can then be raised with Dave,

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Matt, Mary and the other staff in the B&E section at Unison Centre who can promote Energy and the work that you all do throughout Unison.

Jenny Middleton,
Chair of the Energy Service Group Executive

Objective Two: Recruiting, organising, representing and retaining members

1.1 Membership profile and recruitment

UNISON branches and members have seen significant challenges throughout the past 12 months as key energy employers have responded to external pressures by removing thousands of jobs and restructuring organisations with consequent impacts on headcount. Membership levels have dipped as a result but this very much varies from employer to employer and branch to branch. It is very apparent from the available membership data that significant recruitment activity is happening but that often the loss of members means that to simply stand still we have to out-recruit from previous years, which in many cases is actually happening? The response from many energy branches has been fantastic and overall is a credit to all the hard work that UNISON activists carry out day in and day out.

In some areas we have seen total membership growth which in the present climate of job losses is a significant achievement. We actually saw a number of branches increase membership during the past year. The Mike Jeram Trophy award for the most improved branch membership figures during the year between Energy seminars was presented to the Gas Branch Scotland. This was the second time in recent years that this branch has secured this position and reflects well on the recruitment and organising activities in the branch. The ESGE agreed this year to create a second award for the branch, one which has seen the biggest percentage increase in membership. This award (yet to be named) will ensure that smaller branches can be better recognised for recruitment efforts. The first winners of this award were the National Grid Energy branch who had built on the progress made in the previous year. The winners of these awards were highlighted in the Energy service group magazine.

The Scottish Gas Branch is now the biggest energy branch in the service group closely followed by the United Utilities branch. We have 7 branches with more than 1000 members spread across the UK and a total of 27 branches in the Service Group.

At the Service Group Executive (ESGE) level we continue to focus on the need to have an effective organising strategy within all the key energy employers and we have looked to support this activity through our various engagements with lay members and branches. This has included ensuring that organising and recruitment activities feature heavily in our annual energy branch seminar and in ensuring that these issues are on the agendas for all functioning national sector committees, with support provided for both activities via the national strategic organising unit.

Recruitment activity has been ongoing throughout the year and continues to be linked in closely with the Essential Cover national recruitment campaign. This campaign has raised awareness of the union across all sectors and it remains important that we are able to take advantage of the increased advertising exposure that has been visible. To link more effectively with the essential cover campaign we continue to work with our communications dept to produce simple leaflets to support recruitment activity amongst key employers. These have gradually been rolled out to support organising activity when led by national sector committees. The leaflet seeks to present a clear energy branding for members so that UNISON is seen as the union for respective groupings within energy employers. We now have leaflets in stock for the following national employers; British Gas, EDF, Eon, Npower, SGN, SSE and National Grid. We are presently working on a

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new leaflet for workers employed in meter operations and a new general energy recruitment poster.

1.2 Sector Committees and Branch Organisation

As part of the renewed focus on organising activity, the ESGE retains as its key priority the need to take forward a requirement for national sector committees to operate with all key national energy employers.

The ESGE is that National Sector Committees should exist with the clear purpose of bringing together representatives within national employers where the following exists:

- A common bargaining machinery with direct or indirect powers; or
- Shared bargaining characteristics and general approaches to pay bargaining.
- Geographical spread over more than two UNISON regions

Where national sector committees should exist within the Energy Service Group, they should also have the following functions:

- The right to determine policy in relation to pay and conditions of service and industrial relations issues;
- Autonomy over arrangements for negotiations, including bargaining machinery;
- The settlement of disputes and conduct of consultation exercises as determined by any NEC/SG guidelines;
- Autonomy over arrangements for elections as long as these conform to UNISON Aims and Values overall rulebook framework including NEC guidance. All sector representatives must be employed within that sector;
- Consultation with members on appropriate intermediate structures outside of the national committee which will promote effective participation and accountability;
- The establishment of Occupational Groups linked to the sector, where budgets and access allow and are appropriate.

They also provide a great opportunity to develop a pan-employer organising strategy that brings together branches, regions and the union nationally to work towards shared common objectives which would work in tandem to deliver improved recruitment and retention of members. This is particularly important in smaller service groups like Energy where additional national focus can be required.

A great deal of progress has been made to deliver this priority. British Gas National Grid, National Grid Gas D, E.ON, Npower, SSE and EDF all now have compliant and functioning national sector arrangements and have met on an agreed regular cycle. They are also all developing specific employer based organising strategies. Resources dictate that progress will be prioritised to meet identified needs and also to complement existing activity. These new Sectors are also reliant on commitments from UNISON regions to ensure staff time is made available to ensure they are effective bodies. Bringing senior lay reps, regional staff and national staff together when they are all involved in the same bargaining agenda is essential if we are to address the many challenges faced and arrest a slow decline in membership that has been a feature for a number of years.

The success of the National Grid Energy branch which 2 years ago year launched itself and operates with a clear organising focus at its heart gives us cause for optimism. Branch development weekends have taken place and substantial resources have been

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allocated to support recruitment through building profile, increasing organising activity and developing new reps. In turn this has delivered real and substantial growth in membership in an often difficult environment.

Recognising that branch structures are often historic and not reflective of labour changes in the industry mean we do need to create an environment that lay reps feel is an effective platform for growth. This might necessitate changes to branches if lay members support such movement and the union can see clear long term gains. The National Grid Energy branch development shows that this can kick start positive activity.

1.3 Regional development and support

Most regions continue to operate a regional forum/committee for energy branches and the continuation of such bodies is essential to ensure linkage between energy branches and regional structures. We have not always been able to maximise regional resources to support organising and this does need to be more effective in the future. The national officer is committed to supporting regional engagements within UNISON wherever appropriate and invited to do so.

An example of what can be achieved was demonstrated in the West Midlands with a successful regional pool bids to do some important branch development work supporting the new National Grid energy branch.

In the East Midlands a regional pool bid is supporting branches with the employment of a local organiser who is helping with development and representation of outsourced workers in National Grid and British Gas Business.

The London region once again held a successful combined Energy and WET seminar over two days at an external venue. The event was well attended and fully supported by the region, allowing branches to participate.

The Scottish region continues to hold a very successful combined Utilities branch seminar which again was well supported and enables Scottish energy members to focus on the specific issues closer to home that require more detailed analysis.

The focus on the development of national sector committees has also ensured that all UNISON staff engaged with a single employer can get round the table and contribute in the round to development and plan strategically. This has increased engagement between UNISON staff and should ensure this continues into the future.

1.4 Learning and development

The annual negotiating skills course for utility workers was again held in Birmingham during September 2016. The course was again over-subscribed and was well received again with a strong level of positive feedback being received. The course is specifically tailored to meet the needs of utility workers with a good degree of role-playing involved and is subsidised by LAOS.

We also ran for the second time a specific course based around negotiating pay with energy employers. This course was designed bespoke to reflect the specific bargaining environment that exists with this sector and how senior lay activists can respond effectively to it. It was highly appreciated by those who took part and subject to funding

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(again subsidised by LAOS) we would like to ensure all senior lay activists have been able to develop through this course.

We are currently exploring again how we might develop a union learning agreement with British Gas in conjunction with LAOS and regional learning officers. As the largest private sector employer with UNISON recognition, such a development could be hugely positive for members and has the potential to be developed with other key energy employers.

We have again been able to run another successful combined Utilities pension seminar. This event was another development opportunity for activists with pension leads/interests or trustees of private schemes. It is now the fourth year running we have provided such an event led by Colin Meech who is a national pensions officer and leads on transactional costs and the governance of schemes. The seminar was very well attended with keynote address given by the shadow pension minister Alex Cunningham MP. The event itself is now becoming a key date in our overall development offer to lay activists.

In addition to the now annual seminar we are also currently producing an activist's guide on pension costs and how to address these concerns with employers. When the report is produced we intend to provide some regional briefing to encourage activist awareness and knowledge of this issue.

1.5 Communications

Last year saw us get back on track with the production of a twice yearly UNISON energy magazine. This magazine is designed to showcase the work of our members in the sector alongside key developments and engagements in the world in which our members work. The funding for this remains linked to a distributed physical hard copy which activists and branches can use to distribute to members and non members, raising the profile of UNISON in the energy industry. We have managed to ensure recent editions were sent directly to all home addresses which was done to ensure members were fully aware of its publication. This arrangement is however costly and it is likely that future editions will need to be distributed back through the branch level.

The magazine however will remain an essential part of our national communication strategy for energy members. We will continue to engage with members on its content and how we can maximise its use.

The UNISON Energy members' face-book page has again grown steadily during the year and again a further priority over the next 12 months is increasing its visibility. The page is updated on a regular basis and continues both local and global commentary on developments which could affect energy members. At times throughout the year we managed view figures of 3000 and more.

The UNISON website portal continues to develop and the energy content on the site has increased significantly. The energy 'key issues' page on the website continues to develop with the main campaigning themes given coverage and it provides an ability to access energy specific materials.

We are continuing to develop a suite of communication materials to support the 'essential cover in Energy' campaign. Most of our major energy employers have a dedicated leaflet to aid recruitment. We will continue to profile the key employers and also develop key occupational resources which are common in across a number of energy employers.

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During the year UNISON continued to push and build on the media coverage of the work it carried out on the back of the 'Warm Homes' report which UNISON published in 2014. The report set a clear agenda of positive action, and we continue to keep the pressure on the government to deliver substantial improvements in domestic energy efficiency. It is through these improvements that fuel poverty will be addressed.

We issued a series of energy related press releases which received coverage in the national media. So successful have these media releases been that energy stories feature highly amongst the most read news releases by UNISON, across the whole of the UK media. 5 major stories made it into the top hit lists and included Npower (which was the second highest within UNISON with over 14 million hits) and British Gas job losses, the Macquarie takeover of National Grids gas distribution network and the victory for UNISON in the British Gas v Lock Holiday Pay case.

We will continue to work with the national press office to pursue opportunities when they present themselves. A press release alone however does not guarantee media coverage, but we recognise the impact a positive mention of UNISON can have in relation to an energy news story can have. We have also introduced forward planning in this area to seek to predict news stories before they are in the public domain so we can influence them more effectively.

Objective Two: Negotiating and bargaining on behalf of members and promoting equality

2.1 Introduction

The past 12 months has seen continued media attention and focus on the energy sector. The continued cost of domestic energy supply, combined with the various geo-political events that have taken place including those within the UK, mean that the sector has been very much part of the developing news agenda in a way that is rarely positive for members in terms of job security or pay and reward.

Last year saw significant downward pressure on the price of Oil which affects many other asset classes and led to downgrading of production assets. This had an impact on vertically integrated employers who saw markets values impacted and introduced various efficiency measures to recapture this lost ground. These efficiency measures saw job losses in retail although this was not the primary driver.

The primary driver for job losses in the service group comes about through the loss of customers by the big six retail operators in which many members jobs are based. In the past 18 months the customer losses have exceeded a million with British Gas alone losing 400,000 in 2016. These customers are moving to other cheaper providers in non-unionised environments with less fixed costs. The developing narrative that portrays the big six as bad and ever other supplier as good is problematic and does not acknowledge the generally good industrial relationship we have with these employers. It also simplifies a complex picture full of unintended consequences. A key driver in 2016 (and will be for the future) has therefore been the need to reduce cost to service consumers whilst also improving customer service.

We also continue to witness significant challenges in Germany which has impacted on the subsidiaries in the UK, Eon and RWE-Npower. Both have effectively split themselves into dual business entities with the creation of Juniper and Innogy. This change has meant that members in Npower now work for Innogy while in EON they will remain with EON. In France the continued need to address a huge investment programme required to maintain or renew the ageing domestic nuclear fleet has again increased pressure on EDF as it progresses onward with its now approved plans in the UK to build Hinckley Point C.

The net result of all this turmoil is that the UK's largest energy companies continue to face financial challenges and are implementing recovery plans which will lead to further job losses, outsourcing and attacks to terms and conditions of workers.

2.2 Pay and Reward

The last 12 months has again seen UNISON securing some reasonable pay settlements for members. These have included above CPI or RPI inflation settlements within British Gas 2016, SSE, National Grid, Scottish Power, E.ON and EDF. These are the major employers of our members; however some of the smaller companies, especially those involved in the distribution of energy, will have seen pay rises which have been in many cases better than those in either generation or supply. The report is written at a time when negotiations are ongoing within British Gas and EON.

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Within the wider world of our trade union, the pay increases for our members will be seen as an improvement on that which exists within the public sector. However, the pay of our members must be taken in the context of the world in which they are operating, which has become increasingly challenged and complicated, with reward more closely aligned to market rates, and pension provisions substantially watered down. It also needs to be seen in light of yet another year of bumper executive pay within the sector, which has seen the Chief Exec of Centrica Iain Conn earn more than £4.15 million in his second full year in post. That however is lower than the final annual award given to the outgoing CEO of National Grid, Steve Holliday who received £5.1 million in total reward in 2016. His replacement John Pettigrew is set to earn less with anticipated reward coming in at £1.6 million. The gap between workers and executive in terms of pay is definitely going in the wrong direction.

Pay awards which UNISON negotiates within the sector do also reflect the good levels of trade union density, our organisational ability and the dedicated work of activists. Pay negotiations remain an excellent organising opportunity and one we need to exploit effectively.

2.3 Pensions

UNISON remains very much focused on the area of pensions and sees this element as a key priority and one which we should continue to organise effectively around.

We have continued to support bespoke work nationally (joint energy and pensions section) in 2015/16 based around the Defined Contribution (DC) schemes specifically in relation to costs and transparency around transactional cost. We remain concerned at how DC schemes pass on all the associated pension risks onto the worker. We have recognised that within the industry the DC pension is now the standard offering and almost all new entrants into this area will be in receipt of one. Only EDF currently retain a Defined Benefit (DB) scheme.

Although DC schemes are seen as less generous than the DB offering, there are actions we could take to improve them and ensure members have a chance of a decent retirement. One particular focus will be on transactional costs and ensuring that member's hard earned savings are not being wasted supporting costs which are unnecessary. We also need to raise awareness around the performance of schemes and develop a negotiating strategy which supports bargaining for actual improvements, such as was seen in the conclusion to the National Grid negotiations which raised maximum company contributions from 10% to 12%. Work is nearly complete on a specific bargaining guide regarding costs and this guide has been produced as part of joint work between the Energy SGE and the pensions unit.

Following on from the success in negotiations with EDF that secured the retention of a DB scheme, last year saw the conclusion of discussions with British Gas/Centrica on proposed changes it was seeking to make to DB pensions. Unlike with EDF the negotiations were complicated by the fact that UNISON did not have formal negotiating rights within the respective DB schemes that operate. The schemes are all closed to new entrants (the last closed in 2008) but many members remain active within them. The proposal to address significant increases in costs was to increase contribution rates by 3%. UNISON's concern was that this increase might lead to members having to exit the scheme on affordability grounds, despite the significant advantages that arise from being a DB member. UNISON consulted members and engaged with the business through the

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statutory consultation phase and was able to submit a revision to proposals which was accepted by the business and created a low cost option with a higher accrual rate 1/80th instead of a 1/60th but no change in an individual's contribution rates. This option was made available to all staff alongside the default position of increasing the contributions.

Fundamentally the performance of DB schemes remains problematic in the energy sector largely due to increasing life expectancy and falling gilt yields on which returns are planned. Undoubtedly we will continue to see challenges in the future as employers seek to balance off the cost of paying for this form of pension provision.

Further complications arose last year when the Government introduced its new single state pension provision. This removed the national insurance rebate for both employer and scheme member, increasing yet further the costs associated with this provision. A number of employers absorbed this costs while others past it on.

We remain committed to helping branches and regions navigate through this difficult area. The national officer is supported by the national pensions section so expert advice can be sought for a range of issues. External complex advice can be sought in exceptional circumstances.

We committed last year to run again a joint utilities pension seminar for branches in WET and Energy, whose members are in a myriad of private sector schemes, both DB and DC. This was done successfully with a good level of turnout and engagement from attendees. The seminar was again run by Colin Meech from the national pensions section. We have committed to run this seminar on an annual basis and to further develop our network of UNISON pension contacts within the Energy and Water sector.

2.4 Holiday Pay

Following the announcement last year that the Courts of Justice of the European Union (CJEU) had ruled in favour of UNISON and its member Mr Lock (East Midlands Gas Branch) on the subject of commission payments being reflected in holiday pay, UNISON sent out detailed bargaining advice on the subject. We also took steps to encourage branches to organise around this issue by waiving the time limits by which new joiners could ask for legal support. The net result was that a significant number of cases were registered across the UK, mostly against British Gas, and a spike in membership recruitment. The case returned to the UK for further deliberations ending up in the Court of Appeal and still being contested by British Gas. The Court of Appeal agreed with UNISON and in the end the Supreme Court denied British Gas the right to appeal further bringing an end to this case.

Regardless of the outcome UNISON and British Gas had reached an agreement to settle the cases and to introduce changes and gesture payments to its entire workforce. These were paid in 2016. This was a substantial effort and UNISON employed significant legal resources to support its work. As this report is being compiled outstanding issues still remain unresolved and are the subject of continuing negotiations.

Subsequent to the Lock hearing a further ET hearing in respect of regular overtime also supported the CJEU verdict on the Lock case by making explicit reference to it. These later cases, which dealt with regular overtime re-enforced the position that individuals should not be disadvantaged by taking statutory leave as is their entitlement. However, they also placed limits on how far back an individual could go in making a claim as they

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needed to be linked without gaps of 3 months. This was and will be a material factor in future settlements.

UNISON has continued to update its bargaining advice to branches and sought to ensure activists are briefed on the merits of the case and associated arguments. This will continue as events unfold.

2.5 Promoting Equality – Business and Environment Equal Ops Working Group

Good progress was made in the last 12 months in promoting equality and diversity across the employers that we bargain. This was reflected in another successful seminar that was held in July 2016 (see report in section 2.5.1 below). We have also seen increased participation by activists at SOGs Conferences.

The Business & Environment Equal Ops Working Group will continue to develop its work-programme in line with other stakeholders such as National Self Organised Groups (SOGs) and the service group executives. The challenge faced by the service group is in developing and setting-up SOGs in branches, this is attributed to the geographical base of some employers. There was a session at the 2016 seminar to educate activists on this issue.

2.5.1 Business and Environment Equalities Seminar 2016

The 2016 equalities seminar had a good turnout and feedback was positive. In total, 47 delegates attended the seminar from across Energy, Water, Environment and Transport sectors.

The seminar was chaired by Michael Melia, Chair of the Business and Environment Equal Ops Group. The topics covered over the weekend are: Mental health in the workplace with an equality dimension and the importance of self organisation. The feedback from participants was positive as they found the presentations educative, interesting and information.

The rest of the event was also covered by presentations on Domestic Abuse and becoming a Dementia friendly workplace. The presentations highlighted the facts about these issues and how to spot the signs, in order to ensure appropriate supports are in place. Branches were urged to promote the issue of domestic abuse in the workplace and foster engagement with their employer to introduce a domestic abuse policy which would sign-post victims of abuse where one is not in place already.

There was also a session on Bisexuality which provided information on tackling biphobia and negative attitudes towards bisexual people. Delegates were urged to encourage branches to ensure there is a bisexual representative in their branch structure and on committees to reflect the union's fair representation policy. Delegates were reminded on the need to raise awareness of this issue in their workplaces and to foster dialogue with employers to include bisexuality in all policies, and explicitly in diversity section of every policy documents with regular monitoring.

The raffle from the weekend raised £205, the fund was donated to the Alzheimer's society.

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2.7 British Gas

2016 has been an extremely difficult and challenging year within British Gas with wide scale redundancies when Centrica announced an efficiency programme with the goal of delivering £750m of savings a year by 2020. In order to achieve this, the business was restructured and proposals brought forward to shed 6000 jobs worldwide in addition to the closure of our Oldbury Office. Centrica anticipated that around half of these will go through natural turnover and attrition. Unfortunately, around half are needed to be through redundancies. They expected most of these to happen by the end of 2017. The restructure has meant widespread disruption to all staff in all areas, despite the company's announcement that there would be no impact on frontline staff. To date circa 3500 jobs have been lost, we've negotiated to ensure many others were redeployed where appropriate. Centrica has created new business units named Customer Operations, Customer Field ops, UK Home UKB, Credit and Collections, Resource and Planning, Support and the new Optimisation, which was difficult to manage as it was a brand new organisation. By the close of consultation we managed to achieve over 50% of the counter proposals submitted being accepted which was a great result.

Consultations

UNISON has been in collective consultation for most of the last year, these have now been closed with the majority of the queries coming from Optimisation, given this is a brand new area it's not surprising. Many of the members identified as at risk want to exit via redundancy so are not challenging the decision and want to exit ASAP. Individual 1:1's are now complete and in the majority of cases notice has been served with varying exit dates due to contractual notice periods, although all should have exited by the end of April. The company has an approach that they expect all employees to work their notice period and are not paying PILON. We've managed to get PILON for a handful of members based on individual circumstances whilst representing them.

2017 will be a year of change according to the business as we move to the new operating model. We've regularly asked for updates on the transition arrangements; however no details have been forthcoming. Given we're now one Centrica instead of different business units with their own policies – we're in for an interesting year as they move forward with the "new world" and try to "harmonise" policies, procedures etc.

The closure of the Oldbury site is still creating workload issues as the creation of more "Centres of Excellence" move work threads and as are staff are being fully trained as part of the transition arrangements. At present sickness and stress related absence is very high with reports that the new service provider MyHealth are not providing full support which needs to be addressed.

Pay

Pay talks with the business commenced on 2 December 2016 and a joint pay claim with GMB was submitted. We're met the business on 11 January 2017 and it was identified that further work was required by the business in order to progress, discussions are ongoing with the company in response to our claim.

Pensions

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Last year UNISON was involved in discussions with British Gas over changes it was proposing to make to its defined benefit pensions schemes. These are pension schemes which pay a pension on retirement linked to your earnings. These schemes are no longer on offer to new British Gas staff and haven't for a while but many members remained in these pensions schemes.

The proposed changes (now being implemented) mean that contributions will rise for members of the CPP scheme. So in future you will be asked to pay 9% of your pensionable salary to retain the same benefits as today instead of the present 6%.

If you are a member of the Centrica Pension Plan you will have been asked if you want to consider taking up the new 'lower cost option'. This option was created as a direct result of UNISON's response to the consultation.

SIR

The Strategic Incentive Review reported on last year has not yet resumed, the company advise us that this will resume in the near future as its committed to ensuring reward is high on its agenda..

The Locke case has been settled by the business leaving individual claimants following legal advice on whether to settle or not.

Recruitment

Recruitment has remained a key focus of Energy branches to grow our union; figures are stacking up well against other sectors recruitment figures. That doesn't mean we can become complacent as growing our membership still needs to be a key focus for 2017

Gas branch Scotland won the Mike Jeram Trophy for recruitment and retention after working very hard – well done!

2.8 EDF Energy

Recruitment and Organising

Recent restructure and voluntary severance has had a big impact on membership numbers and the recruitment freeze means that the number of employees available for membership is severely diminished.

Ongoing recruitment drives continue to limit the loss of members after restructure.

Discussions around the harmonization of regional pay as part of wider review of pay and reward which will see the company table its own items. Outsourcing is also a key concern with customer focused jobs being lost to offshore and other onshore providers. Other parts of the company are looking at "right sourcing" options, currently data Retrieval and several departments in IT. Customers has announced further plans for 2017

Pay and Reward

We are currently in the 2nd year of a 3 year deal.

Discussions were concluded by the national officers after the successful Lock v British Gas holiday pay case. This was a welcomed by all employees who have seen back

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payments if entitled and holiday going forward. We ensured it was widely publicized as a UNISON case and a UNISON led negotiation in EDF.

Pensions

The first annual review of the revised pension scheme (following negotiated changes that preserved a DB scheme for new entrants) recently completed showing positive results. The pension deficit has reduced over recent years as a result of a combination of factors; this however comes with a caveat that things can change given certain unpredictability of market forces. Recent feedback from the pension surgeries regarding turnout were disappointing and we have invited the business to consider setting up local satellite groups involving senior management, TUs and HR to help plan and support future surgeries and to invite questions from employees in advance.

Terms and Conditions

The Office Negotiating Committee agreed on an implementation plan to deliver the changes agreed to the CBI&T collective agreement. Work on implementation continues through the collective agreement working group. Consultation was completed for staff working outside core business hours, phone lines now close at 8pm weekdays with affected staff working until 8.30 to clear calls left in the queue.

Other matters

Data Retrieval TUPE to Morrison Data Services (MDS) was completed. An agreement on the terms for transferring employees was signed between MDS, EDF Energy, unite, GMB and UNISON.

A Customer restructure has just completed; impacts on remaining staff to be watched. Follow up review planned for conduct of this major restructure with a view for improving practices in future projects.

The enterprise IT (new name for CIO) restructures is complete. The two UNISON members impacted chose not to exercise their right under TUPE to transfer to TCS in India and will instead seek redeployment in EDF Energy.

Major concerns have been raised over a partnership between EDF Energy and Unite to offer their members a £25.00 voucher for transferring to EDF Energy. The main concern is the queries will be handled by Parseq and not EDF Energy employees and as a consequence UNITE are being used to support the outsourcing of jobs which is unacceptable.

2.9 East Midland Region

The East Midlands Regional takes the lead role in negotiating pay and terms and conditions within the following employers within the energy sector:

- E.ON
- Fulcrum
- Morrison Data Services (Formerly G4S Utility and Outsourcing Services Limited)
- Hewlett Packard
- HomeServe

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- Siemens
- Uniper
- GL/DNV

British Gas and National Grid are subject to national pay bargaining and support for this is provided by the national office.

At present there are three branches, namely East Midlands Gas (Southern) – organising in British Gas and National Grid, alongside a number of smaller employers notably PerTemps covering agency staff in National Grid; Utility Services – predominantly for our Morrison Data Services and Fulcrum members, although at the last count there were some 17 employers covered by the branch; and Energy Technology based within GL/DNV at Loughborough – this branch, subject to head office approval is set to merge with our East Midlands Gas (Sothorn) Branch on 1st July 2017.

British Gas

There is a significant reorganisation taking place within BG in which so-called back office staff jobs are either being mapped into other positions or being made redundant. UNISON was consulted about these changes at a national level. At a local level, the union has met directly with affected members and is providing support and advice. A number of resolutions have been reached to problems.

In regard to the long running Lock Case, British Gas has now entered into a collective agreement providing for the payment of commission during holidays. It has also provided offers of settlement to the numerous claimants within the region – many of which upon the recommendation of the union have been settled.

East Midlands Gas (Southern) Branch

Our East Midlands (Sothorn) Gas Branch was runner up in the Annual Regional Branch of the Year Award held on 22nd January 2017. This is a great credit to the branch and all the hard work they have undertaken in the preceding year.

Fulcrum Pay Review 2016

A 2% pay award for this group of members has been agreed following a ballot and is operative from 1 July 2016.

G4S Utility and Outsourcing Services Limited – Agreement for Office, Managers and Field Based Employees 2015

Following a ballot a 1.55% pay award, effective from June 2016 for 12 months, to be reviewed June 2017 has been agreed by UNISON. The GMB subsequently accepted the offer.

In the last week of 2016 G4S Utility Services was sold and has become Morrison Date Services.

Hewlett Packard

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There has been no progress on breaking the employer's imposition of a pay freeze.

HomeServe

No update from last report.

Siemens Meter Operations

UNISON has balloted members on a 2% no strings offer. This was accepted by members and the employer will now implement the offer, backdated to 1st January 2017.

UNIPER

Uniper are a new company created out of a demerger from E.ON. While UNISON does not have many members within the company, we do have recognition. Moreover, there is an impending TUPE transfer which will take place in July 2017 which will increase our membership. Although the company has inherited various collective agreements from E.ON, the company propose single table pay negotiations. An initial "overview" meeting has taken place with negotiations due to commence later in March 2017.

2.10 E.ON

Recruitment and Membership

During 2016/17 the number of members fell although largely in line with drops in employment within the company.

We did have a number of recruitment drives throughout the year but we had a number of members leave the business due to reorganisation and no new recruitments throughout the year which had an impact on our numbers.

Organising

The sector committee has taken forward the responsibility for overseeing recruitment within the company. As part of this it has established a specific project group to look at Meter Operations. The reasons for this are twofold, namely that the union is currently underrepresented within this area of the business and secondly that it represents an area in which the employer is recruiting significant numbers of new employees. As such it has been prioritized as an area for development.

We are also organising a recruitment drive around our 2017 pay claim.

E.ON – All Collective Agreements

An Employee Relations Conference was hosted by the business on 21st February 2017. This set out the background to the company's position and its objectives for the forthcoming year. UNISON has undertaken a survey of its members in order to formulate the pay claim(s) for 2017. The trade union side of the E.ON Energy Solutions Collective meets on 10th March 2017 where it is hoped that a joint pay claim can be agreed.

E.ON Field Force Agreement 2015/2016

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Negotiations were protracted within this group as the employer sought to introduce changes in working arrangements in respect of meter installations. A final offer of 2% with corresponding changes to working arrangements was put to the TUs at the end of November 2015. The TUs went out to ballot between 4 December 2015 and 4 January 2016 without a recommendation. A majority of TU members rejected the offer. A revised offer was made which retains the time and a half payment for work at the end of the day and the consolidation of a street lighting (jointers) allowance. This went out to a further ballot with a TU side recommendation to accept. Despite this recommendation a majority of TU members rejected the offer. In response to the TU side request for the employer to implement the pay award to all areas unaffected by the conditions dispute, the employer while initially rejecting this proposal, ultimately accepted it and applied the award. Because of the rejection of the offer for the remaining members, UNISON alongside the GMB and UNITE balloted members employed within Meter Operations on Industrial action. This resulted in a positive vote for action on the part of all three unions. Strike action took place between 10th to 13th June 2016 (inclusive). Further action was planned for 1st to 4th July 2017. However, there has been sufficient progress in talks with the company to allow the TUs to suspend the action.

In September 2016 a revised offer was put to members, dealing with the outstanding issues in dispute from 2015 for Meter Operations Staff, and a pay award for the whole of the extended collective group for 2016. This was agreed by members in a ballot.

The details of the offer are:

Overall Pay Award 2015

- 2% award from 1st April 2015
- Standby & GA payments also increase by 2%

Electricity Specialists

Move from Level 6 to Level 8 from 1st September 2015 (Increase of £2,724)

Mentoring Allowance

This will be payable from 1st January 2017 at £500pa (paid on a monthly basis: i.e. 500/12).

Overall Pay Award 2016

There was a 1.4% increase on spot salaries from 1st April 2016. Also standby retainers and GA payments increased by 1.4% from 1st April 2016.

Retention Payments for Meter Operations

The agreement provides for an additional retention payment of £1,000 from 2016 until 2020, paid each December.

E.ON UK IT Agreement

A 1.3% increase was agreed from 1st April 2016

E.ON Energy Solutions

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The 2016 pay award was part of a two year deal and provided for a 1.3% increase from 1st April 2016.

E.ON Holiday Pay

A collective agreement was reached with the company in March 2016 providing for the payment of all overtime worked and other regular allowances that are not built into monthly pay. Commission is already covered in pre-existing arrangements and is therefore not covered in this new agreement.

E.ON Pay 2017

UNISON has surveyed its members in respect of their aspirations for the 2017 pay award. The union has been instrumental in drafting the joint E.ON Energy Solutions pay claim and a national bulletin for members confirming the same has been distributed.

Pension automatic re enrolment

The business announced:

- We will re-enrol all colleagues not in a pension scheme into the E.ON Pension Plan, irrespective of age or earnings, on 1 April 2016.
- We will re-enrol colleagues at the 3% contribution level, which attracts a contribution of 6% from the Company - colleagues can select one of the higher rates in the E.ON Pension Plan if they wish.
- Our approach therefore remains simple, compliant and supportive of our colleagues on pensions.
- Impacted colleagues will receive their re-enrolment pack towards the end of March and will be able to opt out via the My Choice flexible benefits system or telephone help-line during the re-enrolment month (April).
- We will not be taking advantage of some of the mitigation options available to employers under the recent changes to the regulations, such as exempting colleagues who have opted out in the previous 12 months.

Changes to T&Cs

2016 saw the introduction of a holiday pay collective agreement, providing for the payment of overtime/allowances for the first 4 weeks of annual leave.

Equality and Diversity

Eon announced they are outsourcing the facilities department and we are concerned that within the outsourcing of facilities management the standards the company sets itself in regard to equality maybe watered down. This has been seen as a key area within the negotiations/consultation with the company.

The union remains concerned at the incidences of disability related problems encountered by members, given the number of grievances being dealt with by representatives and we have seen a substantial increase in capability hearings due to sickness throughout the year and including those with underlining medical conditions Appears to be a growing concern that anyone with an illness covered under the equality act on their attendance

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plan is a blanket 95% allowance given irrespective of their individual issues. The business is saying this is not true and asked us to provide evidence

Flexible Working applications are being currently rejected in almost all cases which is leading to women who are returning to work from maternity leave experiencing difficulties in returning.

Financial Report

We just published our financial figures for the last year in our [2016 Annual Report](#). Showing a 16 Euro billion net loss. But what do these figures mean for E.ON!

E.ON has now fully accounted for the impact of its new strategy. The balance sheet for the 2016 financial year will be the last to reflect the burdens of the past. This clean break clears the way for the company's healthy core operating businesses—energy networks, customer solutions, and renewables—to grow in the future.

E.ON's core operating business is robust. Adjusted EBIT for the E.ON Group of €3.1 billion was at the upper end of the guidance range likewise the Adjusted Net Income of €904 million. E.ON's core businesses recorded adjusted EBIT of €2.5 billion, slightly less than the prior-year figure which had benefited from positive one-off items. E.ON generated about 65 percent of its earnings in regulated or long-term contractual businesses.

Tony Cocker CEO announces decision to leave E.ON

Tony Cocker announced he would be retiring from E.ON to pursue a portfolio career after over 20 years' service; the last 5 ½ years as Chief Executive Officer (CEO) in the UK. E.ON SE has appointed Michael Lewis to succeed as CEO and will work closely together during March and April to ensure a smooth transition. He will leave the business at the end of July.

Other matters

The creation of Hubs led to a number of members leaving as they were unable to transition to the work now available. All these members had conditions that fell within the scope of the Equalities Act.

Some sites now only have front office work and no back office work is available so concerns have been raised as to how we can offer reasonable adjustments to members who may need them for a short time due to health issues to keep them in work and prevent them from having to go off sick.

E.ON has now given up control of its spinoff company Uniper as of 1st January 2017.

There was a Fatality before Christmas when a meter technician was killed in a RTA in Nottingham and another fatality occurred when a meter technician was changing a meter in the Czech Republic.

2.11 IBM

Redundancy Exercise

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As has now become almost traditional in IBM a further round of redundancies ensued during 2016. On this occasion the required number of redundancies across Scotland and North Wales (15) did not require a formal redundancy consultation process to take place.

In order to maintain as much influence as possible on the process, representatives at both locations, Queensferry and Peel Park looked to be kept up to date on proceedings through regular meetings with management, offering feedback in relation to unfolding or planned activities as appropriate.

The required 15 redundancies were reached through voluntary means with the overall headcount north and south reduced to just over 70 staff. The increased pressure on those that remained as a result of these cuts has been significant across the service.

Pay Increase

A two year pay deal was agreed in June 2015 for all staff. This took effect from 1st July 2015.

All elements of this have now been paid and we will shortly be sending a request to the company for information for collective bargaining purposes and will also be seeking views from members before formulating our pay claim and submitting to the company.

This will be the first pay claim since the introduction of the new performance management system – Checkpoint - and we will need to agree a framework for this.

We have provisionally agreed a date for the first discussion meeting.

Everis

It has been a difficult 12 months trying to engage with Everis management, who are reluctant to have face to face meetings with union reps. However, the reps have persevered and have managed to get them to honour the terms and conditions carried over from the TUPE in July 2015.

Pay & performance

This year has seen the implementation of the second year of the 2 year pay deal that was negotiated while they were still IBM. The reps managed to negotiate a flat rate for everyone that was higher than the average negotiated under the previous deal.

Reps rejected the Everis performance management being used this year as they could not get any guarantees about what would happen to those employees given the lowest grade.

As a result they have negotiated a flat rate for all transferred employees again this year.

More redundancies

The past year has seen a reduction in numbers which has been achieved mainly by Everis offering a 'Voluntary Redundancy' program which was completed by the end of February.

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All three of UNISON's reps left under this programme.

2.12 National Grid

The National Grid Sector Committee met regularly throughout the year. UNISON continued to recruit members throughout the business in order to secure workplace density. The three largest clusters of increase have been at Warwick, Hinckley and Isle of Grain. This has been coupled with a significant increase in the number of representatives who have completed training, are active in casework, and taking a role in the branch.

One of the major changes in the past year has been the decision by National Grid to sell off its gas distribution business, an area in which a large number of UNISON members reside.

Early negotiations and interventions by UNISON secured the current pension benefits both for the DB and DC schemes. Assurances have been given, that the new owner of the business will adhere to the pension agreement made by National Grid with the trade unions in 2014, which is in place until 2021.

UNISON has also been at the forefront of negotiations in ensuring continuation of employment, protection of existing terms and conditions and maintaining existing trade union rights and facilities.

The Company have worked positively throughout to address members core issues and agreement to use the recognised forums, to consult and inform staff, has been reached.

Pay

A consolidated pay increase in of 0.9%, in line with RPI, was paid to all staff grades in July 2016, plus performance related bonuses of up to £1299 or 4.25% of salary depending upon grade. For 2017 the pay rate will increase from July to 3.1% based on March's RPI figure.

Ship payments

Throughout most of 2016 and into 2017, UNISON represented their significant membership within the Isle of Grain as the company attempted to change a long standing agreement over ship payment attendance. Staff were paid a minimum of 8 ship payments per year guaranteed, whether they attended to a ship or not. Those that worked more than 8 ships, were paid for the extra ships.

Through engagement in the company forums, positive communication with the membership at regular periods including the use of surveying tools, UNISON successfully negotiated a much higher buyout than was originally on the table, and a higher attendance payment rate per ship for all staff that attend.

Jobs

There have been a number of restructures within the company throughout the year and work continues within these business units to ensure our members concerns are taken into account. Most notably within the Gas Transmission business, successful engagement

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and dialogue has continually taken place which has seen a number of new stewards step up in the participation of these talks.

It is likely that further restructuring of the business will continue and Unison will do everything possible to ensure the business is fully accountable to our membership regarding its business decisions.

Future

Two large items are on the horizon for 2017 and beyond:

- 1) New pay deal
- 2) TO/SO separation

The existing RPI linked pay deal expires in March 2018, and negotiations are expected to start in late 2017. In preparation for this, UNISON has trained two of its most senior sector reps on a training course in Negotiating within Energy. UNISON will embark on a well considered campaign as we look to seek the best possible deal over pay and security for our members. There is a growing feeling within National Grid that the Delivering Performance framework does not work as expected, the new pay deal may be a time to explore alternative options

Following the government's announcement that greater separation is to be made within National Grid between the TO and SO businesses, UNISON is expecting a number of initiatives to be made to change the business in readiness for this in 2018/19

2.13 Scottish Power (Energy Retail and Energy Networks)

2.13.1 SP Energy Retail

Currently SP Energy Retail are undergoing a redundancy exercise to reduce the number of employees by about 200 volunteers. This follows on from the last voluntary redundancy exercise three years ago when nearly 400 left the business. The business argument is that with the implementation of SAP and the improvements within the Operations area there is scope to allow people who wish to leave the Company do so.

The result was that 400 applied to leave the Company but only the agreed number will be leaving.

To illustrate the impact on the Retail business, in 2008 there were over 3000 Retail employees. After this exercise the number will be about 1680. In this same period there was very little external recruitment with the Company increasing the use of Offshore Companies as well as the use of Onshore third parties to run the Call Centre Operations and some Back Office functions.

From a branch perspective this will hit us hard as the total UNISON losses between Scottish Electricity Branch and the Manweb Branch is 101. (The exact split is still to be confirmed by Human Resources) The Branch will have to look at how to reverse the decline in membership. There are still many

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non-members within Retail who have been resistant to joining who will have to be targeted again. The Branch will also have to look at whether recruitment within the other Companies would be feasible and worth investigating further.

The Energy Retail pay increase was due to go into effect in 2017. Originally, the pay talks were planned for October 2016 which were then delayed to November 2016 and were then delayed again due to the announcement of the voluntary redundancy exercise. Unsurprisingly, a further two planned dates were cancelled by the Company as they were unable to formally respond to the pay claim due to issues at Iberdrola HQ in Spain. Even if the talks are successful, it means that members will be lucky to see the increase paid by July this year.

2.13.2 SP Energy Networks

Pay 2017

As reported in the 2016 report, our members waited a significant length of time for their 2015 and 2016 pay award, partly due to industrial action by colleagues in Unite and the GMB. When our claim was settled we were given the assurance that our 2017 claim would be negotiated promptly and ready for the 1st January 2017 review date.

UNISON and our sister unions submitted our pay claim to SPEN management at the beginning of August 2016, well in advance of the 1st January review date. Three provisional dates in September, December and January were suggested by the Business only to be cancelled at short notice. The failure to respond to our members claim resulted in our Full Time Officers writing to Scottish Power's Chief Corporate Officer, Keith Anderson and SP Energy Networks Chief Executive Officer, Frank Mitchell expressing our frustration and disappointment with the lack of progress and threatened to consult our members and gauge support for industrial action.

At time of writing (April 2017), one date has been confirmed but not until Monday 8th May. In order to ensure that delays cannot be attributed to the unions we have advised SPEN management that pay meetings can go ahead without full time officers being present as lay members have sufficient experience to negotiate the claim.

Customer Service – Centre of Excellence

Customer service management confirmed the long suspected move to the new ScottishPower Tower in Glasgow which will, once again, result in upheaval for our members. UNISON unsuccessfully challenged the business case for the centralisation two years ago when first announced and recognises that the lack of parking will cause difficulties for some members, especially those with caring responsibilities or organising childcare. UNISON will support members throughout the move and ensure that flexible working requests are treated with fairly and with an open mind.

In addition to the general office population, the new location will accommodate a number of 3 shift staff from the Incident Control, Control and DCC. Due to the business critical nature of these staff they work their entire shift without a formal break or lunch. As these staff currently have access to full cooking facilities, including a cooker and oven,

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management have been advised that UNISON and Prospect expect members to be provided similar facilities.

Recruitment & Retention

During the last year UNISON, along with the other unions, lost a number of longstanding members due to early retirement. The pension freedoms, introduced by the Government in April 2016, allow staff to access their ScottishPower pensions early without an actuarial adjustment and this has opened the doors to early retirements.

UNISON has a membership density of over 80% in SP Energy Networks but we are not complacent and with all the moves around the Business there will be opportunities to recruit non-members that have possibly never been asked to join. Working with our Branch we will be putting significant resources in to signing up the non members during 2017.

Communication

Communication is still a problem but over the last year we have managed to get Pay Bulletins out quickly and before the other unions... still far from perfect but improving. We have also cast our net across the business looking for members who would be willing to act as post boxes and become a communication contact for their local area – we see it as a great way to introduce members to the work that UNISON carries out and possibly encourage them to become a workplace steward.

2.14 SSE Sector

Recruitment and Membership

Membership has decreased but we are working hard on recruitment and increasing our visibility.

Organising

We meet with the company at Joint Business Committees (JBC's) where many decisions are made. In some areas the company has been slow to establish these committees which have the effect of disenfranchising large groups of the workforce from the negotiating process. We continue to press to get JBC's established for all parts of the business.

Pay

We are in the third year of a three year pay deal. We have already begun work on our next claim. It promises to be an even more complex negotiation in this time of uncertainty.

Project Victoria

Key to the company's objectives is Project Victoria where every element of the business is being examined in depth. The aim is to reduce layers of management, eliminate unnecessary and duplicated works and thereby significantly reduce costs.

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Outsourcing

In our last pay negotiations, we received an undertaking that there would be no outsourcing. Since then, two external call centres and an IT company have been employed. The company refers to this as “augmentation” not outsourcing.

Performance Management

We remain concerned about how Performance Management is implemented in some areas, particularly where, we hear, scores are being manipulated to fit a bell curve. Despite the initial assurances that it would not happen, consecutive low scores are now triggering the capability procedure.

Protected Conversations

Recently SSE have used “protected conversations” to call members of staff into meetings without notice where they have been refused union representation or the opportunity to take a colleague with them. In the meeting, they are told their performance is lower than expected and they are offered a package to leave or the prospect of being put onto the capability procedure.

Going forward we expect 2017-18 to be a challenging year for both our branch and SSE.

2.15 UK Power Networks

SGNF/PMSNF Pay award

Last year members voted for a 3 year pay deal so year 2 is about to begin. March's RPI will be published on 11th April so we will get that +0.5% in May's pay packet.

SGNF Shortening of pay scales

The company have stated that they wish to shorten the current SGNF pay scales to comply with legislation. At this stage, they are only consulting with the trade unions and not negotiating. The PMSNF group had all their pay scales harmonised a while back which was successfully negotiated. The full time officers have requested the same for the SGNF group. The company have agreed to have another meeting on 24th April to discuss the issues. We will keep you updated with any developments.

Powercare

The Powercare pay offer has been accepted by both UNISON and Unite members. This is good news, and those who fought hard to get this offer deserve all our thanks.

Maternity, Paternity and Adoption leave has now been brought up from the statutory minimum to the same enhanced levels as in UKPN. This should be paid in December's pay backdated from July 1st 2016.

Stress

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This has been raised at the Health & Safety forum and the Joint Trade Unions are looking at running a stress survey for all members. This follows Unison's own survey that you previously participated in. Employees are also reminded that they can refer to Occupational health and Validium for support if required. We would encourage all staff to take their regular breaks in full, away from desks as this helps reduce stress levels.

2.16 Western Power Distribution (WPD)

We have moved into the second year of the two year pay deal which was agreed by members in 2016. The second year of the deal afforded members an RPI* + 0.5% on all salaries and 'flow-through' items with effect from 1 April 2017, with a guaranteed minimum of 2.5% should RPI fall below this figure. In addition to this and with effect from 1 April 2017, an increase was agreed in base holiday entitlement from 27 days to 28 days per year for all employees, current and future, on the start of their holiday year after the completion of 10 years' continuous service.

RPI to be calculated as the average July 2016 to December 2016 headline.

Objective Three: Campaigning and promoting UNISON on behalf of members

3.1 Warm Homes Report

UNISON continues to progress the findings of its 'Warm Homes' report. Essentially we continue to call for the findings of the report to be implemented and stand by the recommended action as the best way to address; fuel poverty, energy security, supply constraints and environmental targets. The key ask UNISON identified was ensuring all UK homes meet an energy performance certificate rating of band C by 2030, targeting those in most need first. This would be done by conducting free door to door assessments, providing low income householders with remedial works free at the point of delivery, and giving access to interest free loans for those householders who were able to pay.

Such a prescribed programme could eliminate fuel poverty in the UK, reduce reliance on imported or fracked gas, make significant inroads into meeting required cuts to carbon emissions, create over 130,000 sustainable jobs and save householders significant amounts of money.

As we move forward and the present government continues to dither in setting out a comprehensive energy strategy the report's findings become ever more relevant. The lack of action on this front is leaving householders more exposed to rising wholesale prices and while this is always conveniently blamed on the big six retail businesses it does not explain why in countries with higher energy prices fuel poverty is significantly lower.

In the past 12 months we have presented the report and its findings to both Labour shadow BEIS (business, energy & industrial strategy) secretaries of state, Clive Lewis MP and following his resignation Rebecca Long Bailey. We have also engaged with the All Party Parliamentary group on Healthy Home and Buildings which has recently launched and is promoting domestic energy efficiency.

3.2 Hydrogen Gas

As the largest staff union in the Gas industry we have as an ESGE been considering what the future is for our members as the country seeks to address its COP21 agreement. It is clear that those involved in the environmental lobby see the future as one which is wholly reliant on renewable power. Whilst this may be an achievable objective within current electricity demands and capacity restrictions, it would not be feasible or realistic to believe that the electrification of heat could be managed within the current scope for renewable power.

The scale of electrifying the UKs heating needs (domestic and business) is simply off the Richter scale and does not even take into account the demands of electrifying transport which alone would be hugely challenging. As it stands 90% of UK homes rely on methane gas supply to heat domestic boilers and central heating systems and in terms of energy consumption it represents a massive component of all the energy consumed in the UK. The ESGE is therefore exploring the feasibility of Hydrogen gas (carbon free when used) becoming the primary gas source for the use in homes and businesses. This is possible using the existing gas pipe network which is currently being upgraded as part of the national mains replacement programme. The national officer has been liaising with Dan Sadler who was the author of the H21 Leeds City Gate project and who went on secondment to BEIS to develop the project further. It is developing strong support within the industry and UNISON is planning currently to sponsor a roundtable event to bring key

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industry figure, politicians and trade unionist together to help build a consensus around this as a key step to retaining a viable gas industry with all that entails whilst also providing carbon free energy to homes and business in the UK.

3.3 Living Wage

UNISON has continued to raise the Living Wage as a bargaining issue within the energy sector. It remains one of our key priorities and we have continued to press home the need to achieve a positive outcome. Almost all the major employers have pay rates for directly employed staff which are compliant, and the main focus centres on on-site contractors and supply side businesses. We have been able to convene meetings between the Living Wage foundation and key employers to support this objective and address employer concerns. We believe that solid progress has been achieved and would hope that in the next 12 months the last few key employers will achieve full accreditation. Presently SSE, Centrica/British Gas, EDF Energy, National Grid and Cadent (ex NG Gas D) have achieved this important milestone. We have had active discussions with E.ON and raised it with Npower. Over 100,000 employees are now covered by agreements in the Energy sector reached with UNISONs active participation.

3.4 Call Centre Charter

Following the success in getting British Gas to sign up to the charter we have again sought to engage with other major employers to get the charter adopted more widely. National Grid Gas D agreed to become signatories prior to last year's annual report. We are currently in discussion with UK Power Networks and we hope to be able to work with them to develop the charter in their business. The Charter remains highly relevant to the work our members do in the industry and its has important equality dimensions to it.

3.5 Meter Operatives

We continue to explore ways in which we can support our membership working in the meter operations sector. As the smart meter rollout programme develops it is clear that skill shortages exist in the workforce and recruitment issues mean the programme is massively challenged. We are working with communications to develop some sector specific materials to help organising in this growing field and raise the profile of these workers in UNISON. In addition we are engaging with employers to ensure members are supported both in the development of roles and in any transition from reading into operations.

3.6 Political Engagement

We continue to seek influence with political groupings both to understand current thinking and to influence that thinking to support energy members. Key stakeholder engagements are supported by Connect public affairs and we have secured regular meetings with the Shadow BEIS ministers who have changed in the past year. We have had engagement with the SNP leads on energy during last year and we are seeking further engagement with them reflecting the key Scottish dimension in the energy field. We continue with on-going dialogue with the TUC and other trade unions within the sector on a wide range of policy issues and we have worked together within the TUSDAC grouping (Trade Unions Sustainable Development Action Committee) to develop broad based policy positions.

We attended meetings and had dialogue with regulators CMA and Ofgem and civil servants BEIS specific to energy related and industrial matters.

3.7 European Engagement

UNISON has continued to be active on the European front working closely with EPSU and other European unions to progress agreed responses. UNISON continues to hold a seat on the European Sectoral Social Dialogue Committee (SSDC) for Electricity, a tripartite body bringing together the European Commission, employers and trade unions. Increasingly, energy policy is being driven by the drive to create the single market for energy and the European energy road map 2050. We continue to recognise that many energy employers in the sector operate across Europe such as EDF, E-ON, RWE and Iberdrola. Over the past 12 months we have led on key issues, including the need to have common standards for training and apprenticeships in the electricity sector, raising the bar for corporate social responsibility statements, developments within the single energy market, the EU's winter package, digitalisation, energy security and just transition.

In the past year the SSDC has been successful in securing a significant grant from the EU to support a project based around training and skills in the electricity sector. The project will focus on the qualifications and working conditions for young workers and trainees and the UNISON national officer is on the steering committee.

We continue hold the vice president position (national officer) on the European Standing Committee for Utilities, which drives the trade union agenda for the SSDC and liaises with the European Commission to progress the agreed work plan. We also use these committee to link in with the work of the ETUC and Industrials.

The European engagement work will be important as we move towards exiting from the European Union. Employers within the ESGE have various exposure to the consequences of Brexit and as such a bad outcome will have significant consequences. We are discussing possible outcomes with employers and have a particular concern of the future for UK participation in European Works Councils and SSDC arrangements.

3.8 Health and Safety

UNISON is represented on electricity industry health and safety body HESAC by the national officer and Tony Grieve (Scottish Power Networks) from the SGE. This is an important industry-wide forum supported by the HSE. Most eligible companies attend, along with the key trade unions. During the past year the meetings have been dominated by the industry campaign 'Powering Improvements' which has been now been phased out. This campaign aims to make the UK electricity industry a world leader in health and safety. It is a joint project between the Energy Networks Association and Association of Electricity producers working with the trade unions and the HSE.

UNISON continues to press for a greater retail focus in the work of HESAC and this is likely to be matched by calls from the merged industry body Energy UK who also represent the retail side of the industry.

UNISON is also represented on HSE/TU Gas Liaison Committee which meets twice yearly to discuss health and safety developments in the gas industry. This covers all the IDN's and National Grid, although these meetings are not convened by the employers and they do not lead collectively in this area. A wide range of concerns have been discussed during the past year, and the outcome of RIIO (Revenue = Incentives + Innovation + Outputs) will lead to many more going forward. A particular focus of concern has been the

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role of contractors and subcontractors in incidents. The trade unions remain concerned that cost pressures are leading to potential and actual breaches and that this needs to be addressed.

Objective Four: Developing an efficient and effective union

4.1 Introduction

At a national level, the service group executive met four times since the 2016 Energy Service Group conference. The Executive is made up of lay members elected to serve for a period of two years (2016-2018).

The Energy Service Group is represented on UNISON's National Executive Council (NEC) by Paul Glover who was re-elected in 2017 for a two year period. Paul reports in writing to the Executive on the activities of the NEC.

4.2 Obituary

The Executive is saddened to record the deaths of Eric Roberts in December 2016 and Danny Gillespie in April 2017.

Eric Roberts chaired 2016 WET and Energy Service Group conferences. He served in the London Ambulance service as branch secretary, NEC member and was 2016 President.

Danny Gillespie was an activist in the Scottish Region. Danny's funeral was attended by representatives of the union from local and regional level.

4.3 Chair and Vice-chair

Jenny Middleton was elected chair of the Executive for 2017-18. Angela Greenhalgh was elected vice-chair.

The current Executive membership, sector committees and sub-committees prior to 2017 conference is set out below.

4.4 Energy Service Group Executive:

Regional representatives

<u>Region</u>	<u>Name</u>	<u>Seat</u>
Eastern.....	Vacant	General seat
East Midlands.....	Vacant	General seat
Gillian Byron.....	Female seat	
Greater London	James Mack	General seat
Northern	Carole Anne Woods.....	General seat
North West	Michael Melia.....	General seat
Angela Greenhalgh	Female seat	
Scotland	Tony Grieve.....	General seat
Elaine Duffy.....	Female seat	
South East	Mel Valder	General seat
South West	Tony Allan.....	General seat
Cymru/Wales.....	Nick Thorne	General seat
West Midlands.....	Julie Hanna.....	General seat
Yorkshire Gas	Jenny Middleton	General seat

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Co-opted from sector committees

Tina Court	British Gas Sector
Edith Farrar	E-ON Sector
Sharleen Bigby	RWE/NPower
Krystine Carolan.....	Scottish Power/Manweb
Jayne Yates	Scottish and Southern Energy
Rebecca Reece.....	Gas Distribution
Tracey Wainwright.....	EDF Sector

Sub-committee Membership

- i) Business and Environment Equal Opportunities Working Group
Angela Greenhalgh, Edith Farrar, Tina Court, Jenny Middleton and Michael Melia.
Gillian Byron (Sub)
- ii) NEC Appeals Panel
Jenny Middleton and Michael Melia.
- iii) ENA Health, Environment and Safety Committee (HESAC)
Matt Lay and Tony Grieve.
- iv) UNISON National Health and Safety Committee
Paul Glover and Tina Court (substitute).

4.5 Energy Branch Seminar 2016

The 2016 branch seminar was attended by 59 branch delegates and 7 members of the Executive in Southport over the weekend of 4-6 November 2016.

The seminar commenced on Friday evening with a welcome speech by Jenny Middleton, Chair Energy Executive. She made reference to one of our Executive member who has not missed the seminar in 17 years, but had to due to illness.

The event then kicked off with Roger McKenzie, Assistant General Secretary Organising and Recruitment who gave a speech on the 'State of the union'. Roger commended activists that kept the union bargaining machinery going in the mist of the challenges faced by trade unionist in this climate. He reminded delegates about the Trade Union Bill which has now become an Act. This he said was the hardest regime of employment legislation in Europe – the Government he says direct the rules of workers instead of the other way round. He reflected on passed fallen heroes on the battle field to maintain freedom for the working people. Reference was also made to the outcome of the European Referendum which meant once the UK comes out of Europe, employment rights that are designed to protect workers could be up for review. He emphasised the importance of the movement and the principles that trade unionist share such as equality and fair pay. He pointed out that the state of the union is progressive but the movement is faced with massive challenges – new deal for working people, employers imposing terms and conditions of workers which defeat our purpose through negotiating with employers and reduces bargaining strength. The attack on facility time for union representation was also touched on.

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Reference was made to Living Wage campaign, and also achieving equal pay for women and the fight against zero hour contracts. He stressed that the legislation on equality has not delivered its purpose thereby working people do need a new deal.

Finally, he stressed on the importance of organising and recruitment in order to give us a strong voice in the workplace - increasing our membership density and having more contacts/stewards in the workplace we can achieve new deal for working people. In conclusion he said that UNISON is the best union for working people in tackling and raising issues of discrimination.

On Saturday morning 5th the seminar kicked off with a presentation from Greg Thompson, Head of Strategic Organising Unit who made reference to Roger's speech the previous night and provided good recruitment tips to delegates, such as targeting new starters and recruitment them on their first day at work. He stated that the key to this is through talent spotting and developing stewards by allocating little tasks to people.

This was followed by a presentation from Andy Buxton, Health and Wellbeing Manager National Grid. He spoke on National Grid's approach to mental health in changing attitudes towards mental illness. He made mention of the organisation's strategic planning such as workshops for managers and other strategies the company had incorporated into its business plan to ensure each directorate take ownership in promoting mental health at work. The use of Employee Assisted Programme (EAP) was also mentioned which provides the right support to get people back into work within a short period. He stated that the scheme has been very positive. He also made reference to a new campaign called Time to Change which helps people share personal stories on mental illness. – the charity is helping to change attitudes and behaviour of people towards mental health conditions.

Martin York, Centrica gave a presentation on Shale Gas and what it means for the environment.

The chair thanked everyone for attending and look forward to seeing more participation from branches at future events.

Action on motions passed at the 2016 Energy Service Group conference

Motion	Status
<p>1. Developing Pension Capacity</p> <p>i) campaign among members to explain the issues around defined contribution schemes including its weaknesses, particularly in relation to charges and fees and, in doing so, to also develop a DC pension toolkit which branches and activists can use;</p> <p>ii) encourage members to consider becoming trustees of workplace pension schemes and develop networks to support them in this role;</p> <p>iii) place pension fund costs and charges on to the bargaining agenda with employers via the work at sector committee level to improve outcomes for members by seeking improvements to DC schemes, the restoration of DB provision or consideration of alternative hybrid schemes;</p> <p>iv) campaign alongside others within the union for creation of an industry Common Investment Vehicle to improve pension fund investment performance and lower costs to sponsors.</p> <p>Promote the UNISON Stewardship programme amongst members and branches.</p>	<p>Completed: Continues work with the UNISON Pension section in developing the DC and Cost toolkit is underway and report in final stages of completion.</p> <p>Development programme for pension reps – Consideration being given to this development and will follow after report publication.</p> <p>Supporting an annual Energy and Utilities pension seminar with focus on cost and transactions – Seminar took place 6th March with very positive feedback.</p>
<p>2. The Impact of state pension changes on workers in the Energy sector</p> <p>i) raise awareness of the implications of the new pension arrangement, and provide information on options for older workers in the energy sector who may be adversely affected;</p> <p>ii) work with the wider union in campaigning for a genuinely independent commission to review State Pension Age changes, include the impact on older women;</p> <p>And to</p> <p>iii) work with appropriate bodies in the energy sector to look into the impact of working longer on the workforce; how members will be able to plan for earlier retirement; the potential for flexible retirement including drawing part pensions and working reduced hours.</p>	<p>Completed. This item was actioned by the UNISON pensions unit. A specific guide was produced and sits on the website under the pensions section. Further work highlighting gender inequality and specifically women losing out has also been carried out and publicly given.</p> <p>We have raised the specific concerns of an aged workforce in energy and health and safety with the HSE.</p>
<p>3. Negotiating workplace domestic abuse policies</p>	

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Motion	Status
<ul style="list-style-type: none"> i) issue further guidance to branches on negotiating workplace domestic abuse policies; ii) this guidance to include the business case for supporting workers experiencing domestic abuse and good practice examples, to assist branches in persuading employers to enter into negotiations. 	<p>Completed: A session was held on domestic abuse at the last equalities seminar. Guidance circulated to branches.</p>
<p>4. Mental Ill-Health, Mental Health Related Illnesses and Awareness Monitoring</p> <ul style="list-style-type: none"> i) develop a discussion document for branches that identify the common symptoms related to mental health illnesses; ii) encourage branches to work in partnership with employers whatever possible to provide a sensitive approach to dealing with mental ill-health and related illnesses; iii) arrange training through the national energy seminar to identify common symptoms of mental ill-health, raise counselling skills and to develop sickness absence policies that emphasize the need for support and welfare as opposed to the routine management of sickness absence; iv) identify best practice; v) explore the learning potential from the ENA Powering Improvement annual focus “Ill Health Risks” and ensure the main principles acknowledging work related stresses and mental illness issues are cascaded down to energy branch secretaries, equality co-ordinators and health & safety reps with a recommendation they monitor company and sector participation, commitment and implementation in their own work places with particular reference to issues contained in the Equality Act 2010. 	<p>Completed. Presentation given at the ESGE annual seminar on mental health in the workplace with good employer engagement.</p> <p>Discussed within the ESGE.</p>
<p>5. Mental Health at work</p> <ul style="list-style-type: none"> i) provide guidance to branches on mental health in the workplace; ii) support our members in the workplace to ensure they are treated fairly. 	<p>Completed: Workshop held at the 2016 Equalities seminar, with positive feedback.</p>
<p>6. Campaigning against low and lower pay</p> <p>The Executive to identify where low pay bargaining has been specifically used to affect improvements to pay scales, to establish examples of good working practices and to share these with all branches within the Business and Environment Sector to further the interest of</p>	<p>Completed: Focus has been on improving the pay bargaining process to ensure we are collecting members concerns around pay through surveying in ensuring question on salary</p>

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Motion	Status
<p>low pay and lower paid members. In addition we believe a workshop should be arranged at the 2016 Energy seminar to look at the specific issues low pay may have on our members and their families with a view to delivering some strategic planning to target the issue of low and lower pay across the energy sector. In this regard low pay and job insecurity often attached to lower paid workers may even be identified as a barrier to trade union membership and by recruitment and retention. Thirdly, UNISON should increase awareness and access to learning opportunities amongst its membership particularly with regard to life-long learning and specialist training courses that could enable low pay members to improve their education and training and thereby offer them real hope of career advancement.</p>	<p>ranges are included to prioritise lower paid workers. We have also been developing the capacity of lead reps involved in pay bargaining through specific learning opportunities. The development of national sector committee ensures that all deals agreed with national employers has a legitimate decision making body that is democratic. We have led the way in development the accredited Living Wage amongst employers with over 100,000 workers now covered.</p>
<p>7. Oppose the TU Bill i) fully support all efforts by UNISON to oppose the Trade Union Bill and any provisions that make it on the statute books. ii) engage with energy employers to strengthen workplace level bargaining and ensure that any DOCAS arrangements are kept fully intact iii) ensure that energy members are fully aware of the damaging implications of the TU Bill and can respond appropriately and participate in any campaigns against the TU Bill. Support the development of joint work with the Institute of Employment Rights to develop a positive charter of trade union and workers’ rights for the next government at Westminster.</p>	<p>Completed: UNISON has been at the forefront of opposing the TU bill and seeking to mitigate against its most damaging aspects. Much of this work has taken place at a national union level however engagement with national employers did take place to ensure that DOCAS arrangement would remain if these came under attack. The issue was raised in the Energy magazine that goes to all energy members and in addition the dedicated social media space for energy profiled the issue.</p>
<p>8. Energy Policy in the UK i) continue to lobby politicians and stakeholders to develop a sustainable long term energy policy that is fit for purpose in that it ensures continuity of supply, meets all environmental obligations and addresses the scandal of fuel poverty; ii) continue to promote the findings of the UNISON ‘Warm Homes; report to push the domestic energy efficiency solution to our strategic challenges and raise UNISON’s profile;</p>	<p>Completed: UNISON has continued to engage with a wide range of stakeholder on this key issue to take forward specific UNISON requests around a long term and sustainable energy policy. This work has included direct engagement with government</p>

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Motion	Status
<p>iii) develop UNISON thinking around alternative approaches to securing the necessary investment in energy infrastructure, including using public monies where necessary; iv) continue to lobby the government to ensure the requirements of Just Transition are met in the UK so that any jobs lost in more traditional areas of energy production are replaced with equivalent opportunities in the economy and workers supported to make this transition.</p> <p>Continue to work with EPSU to ensure the European dimension to these challenges is addressed through dialogue with the European Commission and European employers.</p>	<p>and opposition politicians both directly and jointly with the TUC and other trade unions.</p> <p>We have pressed the UNISON warm homes report and continue to see a national EE programme as a major solution to ongoing and future problems.</p> <p>We have engaged in the future energy debate and are progressing and supporting development around Hydrogen. Have met with BEIS officials and looking at supporting a roundtable meeting for key stakeholders.</p> <p>We have also used our influence within Europe within EPSU and the Commission to press pan European solutions and substantial progress on the Just Transition debate.</p>
<p>9. Fracking</p> <p>i) work with relevant organisations to come to an understanding of the arguments for and against Fracking; ii) to produce materials which explain the pros and the cons of Fracking so that our members can make an informed decision.</p> <p>Consider developing SGE policy in favour or in opposition to Fracking based on an informed decision.</p>	<p>Completed: Have discussed this within the ESGE.</p> <p>Seminar topic devoted to the subject with high level keynote speaker from Centrica.</p> <p>Key facts and information placed in the Energy magazine.</p>
<p>10. Green Energy</p> <p>i) affirm its commitment to Green Energy and renewable energies; ii) to lobby the government to restore the eco targets and to introduce subsidies for/or incentives to encourage consumers to make their homes as energy efficient as possible by offering interest free grants for boilers, help with upgrading double glazing where appropriate and offering free energy efficiency assessments for low income families.</p>	<p>Completed: We continued to support the notion of Just Transition and the move towards carbon free generation.</p> <p>Continue to influence the debate through available channels like the TUC TUSDAC arena and through engagement with Labour/Opposition politicians.</p> <p>Exploring how to take forward the prospect of hydrogen gas in the mains network.</p>

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Motion	Status
<p>11. Public Ownership of Energy Utilities</p> <p>i) Seek to ensure that through the appropriate resources and channels we promote our policy of bringing the energy industry back into public ownership with the aim that the next labour government has this as one of its key commitments;</p> <p>ii) provide supporting information as necessary based on current and existing research in support of this aim.</p>	<p>Ongoing: Some discussions with the policy unit on how we take this forward. As yet no resources allocated for this and this action also lies with policy following NDC motion.</p>
<p>12. Organising in Energy</p> <p>i) continue to promote the work of the national sector committees to ensure that all major energy employers with national presence and national collective bargaining have a national sector committee in place before the next conference in 2017.</p> <p>ii) encourage these committees to take forward both the bargaining and organising agenda to ensure both and increased membership and recruitment;</p> <p>iii) build stronger links between branches, regions and national office to drive forward a more integrated and productive response to the many challenges we face, to ensure national priorities are given gull consideration and where possible acted upon.</p> <p>Develop materials to underpin and support the organising agenda developed by sector committees.</p>	<p>Completed: National Sector Committees (NSCs) are now established with 6 of the 7 major energy firms with UNISON members present.</p> <p>These committees are all supported by the national office with agreed TORs and all are working towards the development of shared organising objectives built around key negotiating objectives.</p> <p>The NSCs are helping to build bridges between branches within same employer settings and leading to shared objectives and actions.</p> <p>Work underway with communications to underpin the NSCs and support employer recruitment.</p>
<p>13. Continuing to increase participation of Black members in energy</p> <p>i) use the data already collected on Black member participation and representation within the service group to identify areas where Black self organising structures can be developed or supported at regional and branch level by working with branches and regions to plan events and meetings</p> <p>ii) continue to promote opportunities for Black members in Energy to engage in the union including attending national conferences.</p>	<p>Completed: Monitor through the mapping of black members participation at events and to urge branches to encourage participation.</p>

