UNISON
growing a stronger union in Energy

Annual Report 2019

UNISON Energy

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Foreword

We are pleased to present you with this year's Energy Service Group Executive annual report for 2018-2019. The report has been compiled based on the work that is done by our stewards, reps and members nationwide and reminds us how important being part of a union specifically being part of UNISON is.

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 executive especially my vice chair Angie and the staff who support the work we do throughout the year. I would also like to thank all the members of the executive who represent energy branches and regions in UNISON through the year as well of those who have stepped down or retired for their hard work and dedication to the role.

12 months ago I said in my opening speech to the Energy conference of 2018 that the energy sector were facing job losses and attacks on our terms and conditions and still the energy industry does not ever seem to have been out of the news. The Energy Price Cap has resulted in the current government via OFGEM trying to help consumers by limiting the price an energy supplier can charge their customers each year. This has not had the benefit that perhaps the government has hoped with a survey carried out at the start of January showing 23% of respondents saying they had never heard of the price cap and another 37% feeling the cap would not affect them. Whilst regulation of the energy market is something that we as a union have supported for many years this should not be at the cost of our members' jobs.

The changes that our industry have felt in the last couple of years still have repercussions across our businesses with the choice of companies to offshore work to outsourcing companies has again lead to a slew of job losses across the sector with the big six energy companies still losing jobs at an alarming rate. The growth of smaller energy companies who have entered the market and promised cheaper prices to customers has not benefited everyone with 10 small energy companies going bust in 2018 and the start of 2019. There are the loss of jobs caused by the failings of these companies and the cost to the householder with an average of £6 being added to each consumer's dual fuel energy bill because of the costs of appointing new suppliers and spreading out the cost of the firms missing renewable energy payments.

With the transformation of the energy market UNISON has been at the forefront of tackling issues such as Just transition. This is where the move to a low carbon economy needs to be dealt with in conjunction with helping workers and communities adapt to the change. Our own National Officer Matt Lay has been instrumental in pushing this agenda forward and at a very well attended conference that was held in September 2018, colleagues in conjunction with reps from Unite, GMB and Prospect put forward ideas that will help colleagues and workers deal with the change that the situation brings. These include investment in infrastructure and protecting and creating high quality jobs and employment.

The challenges that we face as an industry are something that UNISON will deal with head on, whether it is working with the Labour Party to ensure that the policies that they have on Energy benefit all members as well as consumers to helping members are facing the threat of redundancies, so thank you all for the support you provide to your members as the front line of UNISON and thank you for the contributions of all the representatives on the Service Group Executive who helped put this report together. And to Matt, Mary, Dave and Sandra and the other staff at UNISON Centre who keep us all together for all their hard work thank you.

Jenny Middleton,
Chair of the Energy Service Group Executive

Objective One: Recruiting, organising, representing and retaining members

1.1 Membership profile and recruitment

It has been a difficult 12 months for members working in the energy sector. We have seen the twin pressures of competition and the price cap introduction impacting on the profitability of the main big six energy retailers who employ a significant proportion of our energy membership. These pressures in turn have caused a reduction in employment numbers with further reductions in the pipeline. The net impact is not only reductions in member's jobs but also often the freezing of recruitment and an ability to increase membership in an already highly unionised workplace.

Regardless of these pressures though, hard work and dedication by activists and branches has seen continued recruitment activity taking place throughout the year. This culminated in the success of the national recruitment campaign 'Grovember' which ran through November and saw total membership in a month grow in the sector for the first time in 2018. Many of our key branches showed positive net growth through the campaign period which was a highlight for the year. 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 net membership growth which in the present climate of job losses is a significant achievement. We actually saw a number of branches increase total membership during the past year. The Mike Jeram Trophy award for the most improved branch membership (net) figures during the year between Energy seminars was presented to the Cadent Gas Branch. This is a newly formed branch organising within a new employer (Cadent Gas) spun out of National Grid. The new branch has had a strong organising and representation focus with an overall objective to increase further the density of staff membership. It has also put efforts into getting more reps trained and building the profile of the union.

The second annual membership award made for the branch which has seen the biggest percentage increase in membership went for the second year running to the Eastern Energy branch. This award ensures that smaller branches can be better recognised for recruitment efforts. Eastern Energy branch mostly organise within E.ON in the Bedford office. This branch which was struggling just a few years ago, has worked hard to improve matters assisted by the region and has seen consistent and positive recruitment activity. The winners of these awards were all 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 28 branches in the Service Group.

At the Energy 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.

We continue 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 leaflets seek 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, Cadent, SSE and National Grid. We also produced last year a general energy recruitment poster which can be used in any energy workplace to promote UNISON.

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 agreed 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, Cadent Gas, E.ON, npower, SSE, EDF energy all now have compliant and functioning national sector arrangements and have met on an agreed regular cycle. We are also working currently on developing a national sector committee within Scottish Power and a planning meeting has been held with proposals for a first meeting scheduled. We have a limited capacity at a national level to support further expansion of these committees and this will be a future consideration in any further development.

The sector committees 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 and the new Cadent Gas branch both which operate with a clear organising focus at its heart gives us cause for optimism. Branch development has taken place and substantial resources have been 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 means 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.

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. In the past year a renewed focus has been

placed on getting more regional committees functioning and we have seen activity in the East Midlands, West Midlands, North East, Scotland, London and Wales, which is an improvement on past years.

The focus on the development of National Sector Committees has also ensured that all UNISON staff engaged with a single national employer can get round the table and contribute in the round to developments 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 took place last year following a one year break. The course was oversubscribed which was positive following concerns around cost to branches. We are planning to run the course this year and revert to an annual basis subject to the course being viable.

In the past we also ran a specific course based around negotiating pay with energy employers. This course was designed 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 we plan to explore how we can provide this resource for senior reps.

In the year of the young worker we have worked with LAOS, the Organising unit, the young members lay chair and the East Midlands region to develop resources and engagement for young workers in the energy sector. This specific piece of work is looking at how we engage better young workers and ensure they can become the senior lay activists of the future in a way which is contemporary to the modern workplace and needs of the young worker.

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 fifth year running we have provided such an event led by our pensions unit. The seminar was very well attended and is now becoming a key date in our overall development offer to lay activists.

In addition to the now annual seminar the past year saw the launch of an activist's guide on pension costs and how to address these concerns with employers.

1.5 Communications

We again produced the 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 raise the profile of UNISON in the energy industry. We have managed to ensure recent editions were sent directly to all home addresses which were done to ensure members were fully aware of its publication. This arrangement is however costly and remains under review. 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. 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 nearly 10,000.

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 issued a series of energy related press releases which received prominent coverage in the national media. These energy media releases feature highly amongst the most read news releases by UNISON, across the whole of the UK media. A recent example of this was the widespread coverage given to UNISON regarding our criticism of pension changes announced by Centrica.

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. 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 year has remained very challenging across the energy sector with precious little positive news in this highly critical public service.

In the retail and customer service sector, the introduction of the energy price cap and the continued presence of new competitor operations has led to job losses and squeezes on pay and conditions. In the regulated sector which is largely distribution and transmission operations the preparations have begun for the next regulatory period with the expectation that it will squeeze profits.

Retail and Customer Operations

In the retail and customer service operations it is not hard to formulate the view that the market is simply not working for the long term sustainable benefit of the consumer. We now have over 70 energy retailers in the UK and it would be higher were it not for a recent flurry of energy retailers going bust. As it stands almost all of the new entrants fail to make any return on energy sales and continue deliberately selling energy to consumers at a loss to gain market share. This is a challenge because many of the new retailers are employee light, pay low wages and do not recognise unions. It is also a fact that the market place is not a level field with various environmental and vulnerability levies placed on the bills of the major 6 energy retailer providing cost advantage to new entrants. These charges were a legacy from the days when the market was not mature and the incumbent businesses had clear advantages in their legacy position. Today this not the case in that the legacy providers have the overwhelming majority of the 'more costly to serve' customers which the introduction of the SVT cap has ensured are financially less beneficial.

It has also been apparent that the rise of new entrants into the market place has been driven by the lack of regulatory oversight and qualification criteria which is some of the lowest in the commercial world. We have seen new operators paying themselves handsome dividends from a cash generative business and then going bust with few consequences and cost being passed back to consumers. The scale of customer account losses amongst the big 6 suppliers is staggering and shows little sign of abatement despite the caps introduction. In 2018 some 6 million customer accounts changed hands which itself was a record number. The mass switching of accounts is a destabilising feature and makes the prospects of our members more uncertain.

In the past year alone the customer losses have exceeded a million within British Gas (UNISON's largest private sector employer) and the picture is not very different amongst any of the main suppliers and is acute within Npower. Attempts by SSE retail and Npower to merge collapsed at Christmas due to market uncertainties and was a demonstrable sign that the system is now unbalanced. The developing narrative that portrays the big six as bad and every other supplier as good is problematic and does not acknowledge the generally good industrial relationship and terms of employment that we have with these employers. It also simplifies a complex picture full of unintended consequences. A key driver in the past year has again been a relentless need to reduce cost to service consumers whilst also improving customer service. The developing digitalisation agenda in which workers are replaced by automation is one very obvious and real response.

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

Distribution and Transmission

The focus in the distribution and transmission employers has been very much preparation for the next regulatory and price control settlement which is referred to a RIIO 2. As is common the regulator Ofgem (office of gas and electricity markets) has stated that this will be the toughest regulatory outcome yet. Whether this is an acknowledgment that its has not been effective in the past it does mean that the rates of return to investors will come under pressure. Ofgem has confirmed it intends to set baseline returns at under 4% which represent a near 50% reduction on the current pricing regime. Ofgem have stated that they intend to save customers £billions over the 5 year pricing period with various measures including setting the cost of equity at below 5%. These measures are designed to curb what are widely acknowledged to be excess profit's but UNISON is under no illusions that in attempts to protect returns to investors, employers will seek changes to staff remuneration, job levels and training and development programmes.

In the larger distribution and transmission business in which UNISON has a strong relationship we are already beginning to see further pressure on staff terms, pensions and overall remuneration. Recent pay agreements within National Grid and Cadent Gas have both reflected this narrative although settlements were agreed after lengthy negotiations.

Europe

On a European level we continue to witness significant challenge. The impacts of Brexit still remain (as I write this report) unclear, but are not helpful in an environment where many of the major employers are European owned and the competition for investment is intense. On top of that the withdrawal from Euratom demonstrated the dogmatic and self inflicting nature of the process at hand. Developments on the continent will have a significant impact on members in the UK. Examples of this can be seen in the announcements concerning assets swops within EON and RWE to create distinct energy giants which will impact on the UK. This cuts across (although does not stop) the merger of the SSE customer business and the Innogy UK business – npower- with consequences which are still unknown. In France they continued the 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 onwards in the UK building Hinckley Point C and looking to source financing for a new project at Sizewell.

Developments with European based employers and the continued influence of European energy policy makes it critically important we remain influential not just at a national level but also on a European level. This we do by retaining a UK seat on the European Union's sectoral social dialogue committee for electricity and the presidency of the EPSU standing committee on public utilities. We also support the development of European Works Councils (EWC) and promote when possible UNISON inclusion in these. EWC arrangements are just one of the many fall outs from the Brexit situation with workers rights enshrined in European legislation.

2.2 Pay and Reward

Despite the many challenges faced over the last 12 months we have again seen UNISON securing some reasonable pay settlements for members. It has however not been without struggle.

Most notably a 12 month dispute with British Gas ended favourably for UNISON with an outcome which was overwhelmingly backed by the membership. During that dispute a key factor was the mobilisation of the membership with turnouts in excess of 70% in consultative ballots with clear and decisive messages for the employer that they could not deny. Essentially the attempt to use pay talks to instigate negative contractual change was decisively rejected and demonstrated that motivated members well organised are still effective.

Another success was the outcome of protracted negotiations within EON initially on pensions but which we expanded to include pay and ended up with an offer (still to be balloted on) of 3.5% from April 2018 (year one) which was the best pay offer for retail members in 2018. Once again a well organised campaign of engagement with members and senior activists played a key part in the outcome.

The big six retailers 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.

Highlights of Pay Awards in 2018/19

- British Gas - 2 year deal 2017-2019: Yr 1 - 2.5% plus £75 and Yr 2 - 2.5%
- National Grid - 3 year deal 2018-2021: Yr 1 - 3.1% Yr - 2.9% and Yr 3 - 2.8%
- Cadent Gas - 2 year deal 2018-2020: Yr 1 - 2.5% Yr 2 – 2.5%
- Eon - 2 year deal 2018-2020: Yr 1 – 3.5% Yr 2 3% (or CPI whichever is greater)
- SPEN - 3 year deal 2018-2021: Yr 1 – 3% plus non con bonus £250 Yr 2 - 2.3% plus non con bonus and Yr 3 - 1.5% (or Nov CPI) plus bonus
- SP Retail - 3% April 2019 (part of multiyear deal)

- Npower - 1 year deal April 2019: 1.5%
- Fulcrum – April 2018- 2.5%
- Morrison Data Services - July 2018: 2/3% depending on salary.
- Siemens – Jan 2019: 2.4% or 3% if below 25k

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 Executives receive pay awards many times greater than the average employee, a gap that is growing not closing and is by any measure unjustifiable.

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 for members and one which we should continue to organise effectively around.

Defined Contribution

We have continued to support bespoke work nationally (joint energy and pensions section) in 2018/19 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 for new starters.

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. More work has been done in the past year by the pensions section on the possibility of collective defined contribution schemes (CDC) and the relevance of these in future pension reforms. A CDC scheme collectivises the assets and rewards within a DC pot rather than as at present being individual with all the risk individualised. It allows for the potential smoothing of returns and investments allowing for better investment growth. Another particular focus remain that of transactional costs and ensuring that member's hard earned savings are not being wasted supporting costs which are unnecessary.

While we continue to raise awareness around the performance of schemes we also continue to pursue negotiating strategies which support bargaining for scheme improvements, such as was seen in the conclusion to the National Grid negotiations 5 years ago which raised maximum company contributions from 10% to 12%. We successfully pursued improvements to the EON DC scheme on the back of DB negotiations. These improvements included setting a default minimum member contribution of 5% not the present 3% which is double matched. We also sought further contribution increase in the National Grid DC scheme during pay negotiations but this was unsuccessful.

Defined Benefit

In recent years we have achieved broadly positive outcomes in negotiations on Defined Benefit schemes in which employers are seeking to either close them or make massively detrimental changes to benefits.

In the past year we concluded lengthy negotiations with EON on changes to its DB pension scheme which ensured the scheme was reformed proportionately to pension returns and the ability to pay. The changes which included reforms to the protected person category were overwhelmingly backed by scheme members.

The same positive outcome did not look so possible in consultations with Centrica over changes to its staff DB schemes. Negotiations on changes to staff schemes are not contractually required which is a serious impediment to achieving fair and just outcomes. Negotiations on the engineer's scheme did however take place as required with the GMB union and broad agreement was reached with them on proposed changes prior to full consultation. The proposed changes would have had very negative consequences on UNISON staff members and during the required statutory consultation period UNISON submitted a full response outlining our opposition to key elements of the proposition. The proposed changes caused a good deal of controversy within the engineers and the fallout led to more engagement with UNISON than had been the case. The business responding to our requests also disclosed that proposed staff changes were disproportionate to the costs incurred. The period of intense engagement with trade unions led to an improved offering removing some of the worst proposals from staff such as the 3% contribution increase. The package is now likely to be introduced.

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.

As part of the ongoing support to energy branches, trustees etc we ran 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.

2.5 Promoting Equality – Business and Environment Equal Ops Working Group

It has been another challenging year in bargaining for equality. Positively we have seen that diversity and inclusion is rising up the agenda in many of the workplaces we represent, thanks to reps that continues to work with employers to promote and raise awareness of EDI initiatives. However, the pace of progress towards realising equality of opportunity is still very slow. For example, recent legislation on gender pay gap reporting has shown structural barriers to progression in most organisations for women, including a lack of senior role models and flexible working. We have seen examples of flexible working practices that are not fit for purpose, testament to this was the motion carried at last year's conference. As a result the Service Group negotiators continues to work with employers to review their policies or introduce one where they are none.

Despite equality legislation and diversity initiatives in organisations, inequality persists in many areas. Many issues contribute to inequality, from lack of women in leadership positions, to lack of data on workers with disability which hinders making appropriate reasonable adjustments for these group of workers, and the lack of adequate mentoring/coaching initiatives for black workers to develop their potential. And keeping equality high on the priority list for employers requires consistent work. Too many employers think they have "dealt with" this issue.

The Joint Energy/WET Equal Ops Group continues to work collaboratively to address these issues and develop bargaining guides to assist branches, examples of these bargaining guides published since the last conference to name a few are:

- Proving disability and reasonable adjustments;
- Disability Leave bargaining guide and model policy;
- Why the menopause is a workplace issue;
- How to get to UNISON disabled members' conference

Finally, we continue to empower and educate reps by holding the annual equality seminars which have been very successful. The last one was well attended and received positive feedback from participants – the report from last year's seminar is noted below in Section 2.3. At the time of writing this report planning is in progress for the 2019 Equalities seminar scheduled for July in Bristol. We encourage all branches to send representatives; building a network with and learning from fellow reps who are doing the same thing in different employers is really useful, and enjoyable.

2.5.1 Business and Environment Equalities Seminar 2018

The 2018 equalities seminar had a good turnout and it received positive feedback from delegates. In total, 40 delegates attended the seminar from across Energy, Water, Environment and Transport sectors.

The seminar started at 5pm on Friday 13th July 2018 with a welcome address by Brian Morgan-Scrutton, Vice Chair Business and Environment Equal Ops Group. Deirdre Costigan, National Officer Disability Equality gave a presentation on Self Organisation. She highlighted the importance of the union's self-organised group, and the techniques to consider when setting up a self organised group.

Deirdre also gave a presentation on Reasonable Adjustments and took delegates through the different conditions that falls under the legal definition of the Equality Act 2010 and the employers' responsibility to make provision under the Act. She made reference to trade union's role to raise awareness of this issue at work through negotiating a robust policy with the employer and ensuring appropriate support mechanism are in place in order to accommodate those affected in work.

At the end if the 2 day event, the Vice Chair thanked delegates, workshop facilitators and the organisers. In particular, branches were thanked for sponsoring delegates to attend and it was hoped that delegates found all the sessions educative and informative. The raffle from the weekend raised £200 and matched from National Fund, which was then split between two charities (British Dyslexic Association and National Autistic Society).

Regional, Sectoral and Company Reports

EON

Recruitment and organizing

We have grown membership over the past 12 months across Eon. This is a great achievement given during the last 12 months we have lost a number of members who left the business on SVS due to restructuring and site closures. In some areas we were successful in gaining new members but in others the business stopped recruiting which impacted our recruitment. We had numerous events and concentrated hard on recruiting in metering and after a long period of weekly recruitment drives are now seeing some rewards from all our hard work and gaining new members in that area. We have organised a number of recruitment drives across all our sites during 2019 and hope to recruit many new members. We have a renewed focus this year on recruiting and developing young members.

Pay

This was subject to getting the pension deal agreed (the pay offer was conditional on all pension reforms being agreed) the business agreed to make a 2-year simple pay offer to all staff covered by collective agreements. This offer which again was significantly improved was worth:

- Year 1: **3.5% on salaries, points, allowances etc backdated to 1st April 2018 (above RPI)**
- Year 2: **3% or average CPI whichever is greater, paid 1st April 2019. (3% is above projected RPI for 2019**

DB members who did not give full consent would not receive the pay award if the deal was accepted.

Jobs

The unions were keen during these negotiations to ensure that members required to consent to any pension changes, had some employment stability for the next few years. This has resulted in a set of employment commitments made by EON to its staff. These commitments include:

- Continued commitment to an employment model under which the majority of its workforce is directly employed in the UK with no further outsourcing of jobs beyond that already announced to the unions.
- If any job reductions are required the business will seek these on a voluntary basis and the current severance terms will remain unchanged.
- The business will maintain its full commitment to meaningful consultation with the trade unions at the earliest point on any change
- The offer went to ballot and was overwhelming accepted by all members

Pensions

This was a massive project, UNISON were, in my view, the most pro-active and involved union regarding these changes and everyone involved can be proud of what they helped deliver I have outlined the changes below

Accepting that a deficit of £1billion and Defined Benefit (DB) funding costs running at 47% was not sustainable, the unions reached a position which would preserve the DB scheme and the Retirement Balance (RB) going forward and is substantially improved from the offer made by EON last year.

The key reforms and how have they were improved during negotiations:

- **On contributions:** EON were seeking a 5% increase across the board and the removal of the higher bands in the RB plan. We secured no contribution increases for members in the DB scheme and proportionate increases only for the higher bands (which will remain open and an option for those in the scheme) in the RB plan.

- On Pensionable Salary Caps EON were seeking a flat cap of 1% on all salary grades (this is the amount your pensionable salary can grow not your actual salary) We have significantly improved the cap so that wage growth up to the rate of CPI with an upper limit of 3%) will be fully pensionable on all salaries below £70k. Any wage growth in salaries above £70k will no longer be pensionable.

- **Indexation increases to deferred pensions and pensions in payment (future service only)** The rate at which these will grow is currently set at RPI (up to 5%) EON had proposed changing to the new statutory level of CPI up to 2.5%. We negotiated an improvement above the statutory level to CPI up to 3% for the DB scheme.

- **Defined Contribution (DC) Pensions:** EON were seeking to deny the existing DC scheme to new starters and only provide them with a statutory minimum pension (auto-enrolment). Instead we have secured both improvements to existing DC scheme members and proposed new starter pensions. Existing DC members will move to a position of an automatic upward movement of contributions after 5, 10 and 15 years pension scheme service at the 1 April each year. (Members will still be able to opt out) So, as an example, those currently paying the 3% minimum (receiving a further 6% company contribution added on top = 9% total per annum), with 5 years pension scheme service at the 1 April 2019 will be automatically moved to a 4% contribution rate (receiving a further 8% from EON added on top = 12% total per annum).

- **Facilitation Payments:** These would be paid to all members in the DB and RB pension schemes. The payments were linked to getting a positive ballot result and all individual consent forms (where needed) being returned. The payments for all eligible members was one-off 7.5% of basic annual salary (improved from the 5% Eon offer) with a guaranteed minimum payment of £1000 (all subject to tax and NI).

Restructure

Working Patterns review: The business is currently reviewing all Residential working patterns for both full and part time members

Expressions of Interest – in August the company wrote to over 2100 members of staff to see if they had a desire to leave the business. This was because, in non-customer facing roles, they were looking to reduce headcount by circa 600. This included operational managers above TM level, plus HR, Finance and other support functions.
The company are confident that this figure has been / will be achieved without compulsory redundancies. Leave dates are staggered based on project end dates, expected demand reduction etc.
Naturally, some members have approached us with queries or when they think the process has not treated them fairly.

Project sunrise and Innogy deal - An asset swap was agreed in Germany between EON and RWE which meant that RWE would get some of EONs generation business (including renewables in the UK) and EON would acquire the Innogy part of RWEs business.
Before this agreement a proposed merger of SSE and Npower was mooted and progressed. Innogy own Npower. This deal collapsed when SSE pulled out. We are awaiting to see what happens next.

Res Specific Price Cap – after government legislation, Ofgem finally announced details of their price cap in October. This will set a maximum energy companies can charge for their Standard Variable Tariff. The cap level is a matter of concern within the business and is likely to lead to negative impacts.

Equality and Diversity

Know Your Employee checks: Along with other organisations, E.ON is under an obligation to make sure that it doesn't assist with the funding of terrorism. This possibility could arise through several different routes, e.g. paying money to certain bodies or, indeed, paying a salary to an individual who appears on an EU terror list

Against this background, they will be undertaking Know Your Employee checks across the UK to make sure we know whether anyone is listed on any EU terror lists and can take appropriate steps if so.

We don't expect anyone to be listed, these checks are about acting responsibly as an organisation, and making sure we're not providing financial gain to anyone who might be on such a list.

An external service provider, Tolerant Software GmbH & Co. KG, will carry out the checks on their behalf.

Keeping personal data private and safe is an absolute priority and have been informed that all data checks will be conducted in line with GDPR and Data Protection laws

Menopause Policy: We agreed a policy with the business and this is now being introduced.

British Gas

UK Customer Operations

We met with the business on regular occasions throughout 2018 for National Joint Council (NJC) meetings. This is where we are given business updates and the National Team get to engage in meaningful conversation with the directors. There hasn't yet been an update on the company's proposals re the 8 principles but we expect further information to be made available this year and we will keep our members updated. We have begun pay negotiations following submission of our joint pay claim. The claim asked the business for;

- An RPI plus increase on all base salary points and allowances.
- An agreement that commits British Gas to seek to use all measures necessary to avoid compulsory redundancy within its staff workforce
- A negotiated voluntary redundancy scheme that will enable the business to demonstrate it is serious in avoiding compulsory redundancies of its staff workforce.
- The work on pay consistency agreed in the last pay settlement to be completed to ensure pay equality within the staff workforce.
- The reward team were asked to look at pay harmonisation, UNISON asked for this as part of the pay negotiations, this is going to take some time given there's a lot of data to analyse. It's a mammoth task for the business and there's no surprises that it's not yet been completed, mainly due to staffing changes within the reward team. It remains as an outstanding action on this year's pay claim.

HSES

The working group has not yet met fully but has agreed attendees for a meeting early next year. The HSES working group will be reinstated, which is good news and we have a date of 5 March 2019 (at the time of this report). I have requested that each branch H & S officer is invited and have provided UNISON names to be invited. Angela Greenhalgh and Lindsay McNaught will be invited to the first meeting. Angela and Lindsay were also invited to attend The Customer Operations Conferences, which helped us to understand what messages the L6 are delivered and work programmes.

Cases

We now have an escalation route for when we need a little bit of help with sensitive cases. The business has agreed that Angela Greenhalgh and Lindsay McNaught (as Chair and Vice Chair for UNISON) can liaise with 3 named people in the Employee Relations structure. The UNISON sector committee will feed in cases via us for assistance, we don't envisage many cases having to be escalated.

Organisational Change

The Senior National reps and Officers of UNISON, GMB and Unite met with business directors and leaders in UNISON Centre in London on Tuesday 3 July 2018. The morning was spent by the directors advising us of who they are, what they do and what areas they are responsible for. We discussed the company's announcement to the stock market re job losses but we were not given any further detail or clarity on when or where our members may be impacted. There was a pledge to work closely with us and share the detail in the next few months, although no timescales were given; however, we don't envisage the engagement taking place in the near future. We spoke about absence, attrition and low staff morale brought about by all the changes and uncertainty surrounding job security.

Pensions

The proposed pension changes dominated the latter part of 2018 with pensions briefings, which generated a fair degree of anger and frustration as the proposals were very unfair on staff members. The proposed changes would also have had a massive impact on the engineers too which was not well received. The GMB engineers ballot on the proposed pension changes was therefore delayed pending further conversations that also included UNISON who had been excluded up to that point. Improvements were agreed which were of benefit to staff members including options of no contribution increases

QIP

The new strategic incentive review QIP has been rolled out. The new QIP plan for Customer Services in Services has gone live and in Energy it is in the process of being rolled out in stages. The new plan for Retention/Sales is still under review. You will be kept updated on when this will come into force.

UK Business

UNISON at Spinneyside, Leicester and Oxford work in partnership with UKB and we meet quarterly in a UNISON/Management forum where we are given updates on all things UKB. We also use this forum as a platform to raise concerns about local issues such as flexible working, carers leave and Saturday working. Gab Barbaro, UKB Director had indicated that he wished to negotiate pay outside of the collective however UNISON believed that it would be unfair to do this. As a result of our concerns about having a separate agreement, it was confirmed that pay would mirror whatever deal is agreed as part of the collective pay negotiations.

It has also become apparent that employees who work in the collective at the Spinneyside location are covertly being moved off the collective agreement and have contracts that are not part of either the collective or partnership agreements.

Pensions is biggest topic of conversation here at UKB however thankfully, with the intervention of UNISON, we are having a better deal for the pensions imposed.

Central Heating Sales

Again, 2018 has been a challenging year for the members, UNISON and management. Sales figures have been good. British Gas took on 57 new starters, unfortunately not all have stayed in employment. We have attended most of the BG national meetings where we can discuss the sales world in detail. Some of managements actions are not what we would expect from a “blue chip company”. We keep “chipping away” and working together to make this a better place to work for all our members, which would include field and office based staff.

2018 has seen us lose some members due to them reaching 55 years of age and taking early retirement. This must be our focus to increase our membership for 2019 along with getting out to see our members on their patch.

In 2019 we have some major issues to discuss. These are in the form of Asbestos sampling, the company car list, selling from home and a new commission scheme.

UK Field Operations

Last year, we had the “Beast from the East” which hugely impacted staff across all sites, as some were unable to get into work. However, in Stockport our site remained open as we are a service provider and must keep vulnerable customers’ homes warm. Some staff were put up in hotels if they couldn’t get home and a lot worked very long hours to communicate to customers that we couldn’t get to and those that we could. Happily, BG responded by offering double time and vouchers for any staff who were willing to come in and do extra, including staff from Hattersley and Talbot Road.

On the flip side, by the end of 2018 there were far fewer re-schedules and the work had been outsourced to Convergys. The staff on the CCC were moved to a newly created team and this function is to support the Contractor function. This is a contentious issue for our field force, but if we are to be a “flexible” business that improves our availability in times of peak demand then it is a fair reaction of the business to put this in place.

Last year was a massive transition for Planning and Dispatch, which will be ongoing for all staff that will eventually be using a single platform. This includes SMART, Heating Installations, Service & Repair & Dyno. Clearly, we are chasing our leaders for communications to be open with staff as how this will impact them in future as this is managed over 3 sites and potentially could mean “efficiencies” and that could lead to reduction in staff or movement to other sites.

Absence figures are lower than they have been for a long time and the same for attrition. We have more staff than ever at Stockport, however, we are arguing that the recruitment freeze has a major impact on our operations, as we have a lot of agency staff that could potentially leave and this would pose a massive risk.

Strategic Incentive Review (SIR):

SIR was a theme during 2018 and then came into force for Quarter 4 in planning and dispatch, the intent to remove behaviours and focus more on customer outcome. The implementation of the new scheme required a few Telco's to iron out the wording change to "Support", the business has agreed that whilst in Field Ops we do serve our customers – i.e. Engineers and on occasions BG customers, but we weren't classed as an inbound call centre. At the time of writing the report, we are yet to see the impact on pay and reward for real.

Scottish Power

SPEN

Pay 2018/2020

After a significant delay we successfully negotiated a 3 year pay deal covering January 2018 to December 2020. As well as the usual consolidated percentage increase this deal includes a non-consolidated bonus element tied to business performance targets. Depending on business performance this payment could be anywhere between zero and £1000.00 for each of the 3 years of the deal.

For the majority of members Year 1 sees them receive a 3% consolidated increase plus a non-consolidated bonus of £250.00, backdated to January 2018 and this was paid in their February 2019 salary.

Year 2 will see a consolidated increase of 2.3% plus a bonus of £926.00 being paid in May 2019 salary and backdated to January 2019.

Year 3 will be consolidated increase of 1.5% or November CPI, whichever is greater along with the business related bonus.

Agency Staff

The continued use of agency staff is always a concern for UNISON but in the last 12 months we have seen a significant reduction in numbers with the majority being offered permanent SPEN contracts. We believe the use of external staff undermines collective agreements as UNISON do not yet organise these groups. Additionally these employees miss out on the higher pay, pension and share provisions enjoyed by directly employed staff.

Recruitment & Retention

The exodus of experienced staff continues as many take advantage of the pension freedoms introduced in April 2016. During the last few years UNISON, along with the other unions lost a number of longstanding members due to early retirement.

UNISON has consistently enjoyed a membership density of over 80% in SP Energy Networks and we have been successful in recruiting any agency staff that became permanent.

Communication

Communication is still a problem but we are continuing 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.

SP Energy Retail

Pay 2019

Energy Retail are about to enter Year 2 of a 3 year settlement which will see members receive an average of 3% from 1st April 2019, assuming fully competent performance.

As part of the pay settlement the job families have to be reviewed as there is a view that they are out of date. No confirmation as to when this will start but is to be completed by the end of the year.

Representation

Managing Attendance is the main issue within Energy Retail.

Most representations are related to MAP due to the way that sickness is now managed. Since appeals were introduced as part of the process it is disappointing that the number of appeals is so few. We would encourage members to consider using this process if there is justification.

Membership

Membership numbers, as always are an issue. With the loss of members due to the last VSS opportunity and the pressure of work on Stewards there has been limited time to work on recruitment. Hopefully, the Branch development plans for 2019 will concentrate on recruitment within Retail to help bolster our numbers and our visibility. We are struggling with Steward numbers, especially in our Glasgow Headquarters so any volunteers will be more than welcome.

SP Generation

In October 2018, ScottishPower announced the sale of its entire generation business to Drax in a deal worth around £700m. This sale means we have become the first energy company of its kind in the UK to shift completely from coal and gas generation to wind. In addition Drax takes ownership of our hydro plant including the iconic pump storage station at Cruachan and the biomass facility at Daldowie.

Moving forward, ScottishPower will focus on its Renewables Business which currently has over 40 operational onshore and offshore windfarms around the UK with an installed capacity of over 2000 MW.

ScottishPower Group

Overtime Holiday Pay

As a direct result of UNISON's work to secure a positive outcome to the Lock Case, we have concluded our negotiations with ScottishPower and the Overtime Holiday Pay Supplement will be applied to the first 20 days (pro-rated for part time employees) of an employee's annual holiday entitlement in any holiday year and will be based on the number of annual working days per year minus 20 days statutory annual leave (equivalent to 240 days, pro-rated for part time employees). This equates to a supplement of 8.3% for every hour of eligible overtime worked and a backdated payment in respect of the period from 1 November 2016 to 31 January 2019 was made in February 2019.

Pension Review

Last year ScottishPower began a review of its pension provisions and while a number of meetings took place during 2018 the company have decided not to progress further pending the outcome of the tri annual review.

EDF Energy

Recruitment and membership

Monthly campaign stalls focused on issues that affect the employees has had a positive impact on retention and recruitment. This has been helped with the new collective agreement for new starters which has seen 100 new employees enter the business at the North and South West sites. Uptake has been fantastic with both sites recruiting nearly 50% of the new members in total.

Organising

Recruitment and retention as always remains the main focus for the branches. Improved regular communications to members has helped.
2018 has seen a difficult year for the union with restructures across the whole of the business. This has impacted on the membership both in figures and in morale. We do not expect this programme to slow down anytime soon.

2019 will see the branches look at alternative ways to engage and recruit, with a large number of personal contract holders, we need to look at what benefits we offer in order to persuade them to sign up.

Pay

2018 saw the last year of the pay deal. We are currently in negotiations but we expect to have a tough time due to recent changes around the standard variable tariffs.

Pensions

No changes to the pension scheme although we continue to meet with business to discuss the respective DB schemes. EDF Energy retains an open DB scheme.

Changes to T&Cs etc

After extensive talks with senior management, we have seen new recruits to the business. This has meant a change in starting salaries and progression steps, a reduction of health absence entitlement from 6months full pay to 3 months. It has also meant that the outsourcing of some telephony has been moved off shore.

Equality and diversity

Q1 of 2019 saw first working lunch of the year spearheaded by the South East branch. The topic was menopause in the workplace which was well attended and well received. All 3 branches are looking to work closely on other topics for the coming year.

Health, Safety and Wellbeing

Discussions have been taking place at national level to implement a mental health project across the company. It has been a rocky road with some intensive talks to ensure robust processes are in place to support employees but after months of negotiations we have seen the implementation of mental health first aiders and a comprehensive dedicated site giving advice and guidance as well as signposting to mental health services. As a result this is also being looked at as an ongoing project for the group.

Cadent

Recruitment and membership
Membership within Cadent is made up of 4 branches, all of which plan regular recruitment events, this ensures that membership levels continue on an uphill trend.

UNISON in Cadent branch recently held the first of its member events, this is designed to encourage existing members to stay within the union, by holding drop in sessions and meet and great, it is an excellent way to break down barriers and make the union more people friendly.

Cadent Gas branch won the Mike Jeram recruitment trophy for the biggest net increase in membership over the past year.

Organising

Key priorities for the Branch are planning for the next year. We are encouraging the branches to put together training packages for reps, attend regular meetings with local HR Business Partners and Managers to address issues as they arise.

Pay

Our last pay deal ended on the 30th June 2018. Cadent had wanted to set up a second collective bargaining group for new starters, but this was rejected. We balloted members in February 2019 and they voted by 80/20 to accept the Company offer. Most staff received a pay rise of 2.5% on their base pay, although for some staff (levels 6-8 Business Support) this will be paid as a non consolidated lump sum. New starters will enter into the business on new terms and conditions which are less favourable but will lead to the creation of 60 posts.
Cadent are keen to begin Pay talks in September 2019 to finalise a deal beginning July 2020.

Pensions

No changes to pensions, Cadent have staff on DB and DC pensions. The DB pension is capped at 5% employee contribution and the DC pension is double matched, i.e. if the employee contributes 6%, the business contribute 12%. The number of DB members taking advantage of the pension changes and withdrawing/moving their money has slowed down.

Changes

Cadent's existing CEO (Chris Train) has announced his retirement in February, his replacement is due to begin in June. Meanwhile Steve Hurrell is acting CEO and has started making a number of changes, starting with the Senior Management Structure, this will have a knock on effect and rumours are rife within Cadent regarding the future of the business and the uncertain times that we face. We anticipate a number of changes over the next few years and are sure that UNISON will come across many challenges.

Equality and diversity

We have seen diversity and equality engagement virtually disappear due to austerity measures by the business. However, reasonable adjustments are being made for some individuals when the business is pushed. We welcomed back our Equality Rep (Samantha Willis) who is a very ardent Equality supporter. Samantha has put together a yearly plan to address Disability awareness within Cadent. She is constantly challenging back to the Business when members are not being dealt with fairly or consistently. Samantha has also arranged for a local charity (Canine partners) to come into Cadent and show how disability barriers can be overcome with the right support and equipment.

Health and safety

We have attended, as a group of safety reps quarterly meetings with Cadent SHES team. As part of this engagement we have engaged with a variety of working groups, including safe driving, mental health working group, personal safeguarding and gas holder demolition.

We have had 6 monthly national meetings with the HSE, along with other reps from IDN's and other trade unions.

We have also locally engaged with the HSE Inspector around the issue of Staff Safety Reps lack of involvement in Safety Investigations in Cadent.

The union has challenged Cadent SHES on DSE Regulations, Fire Safety systems, safety competence (work and standby) plant protection safety and, treatment of staff under the Equality Act 2010.

Cadent staff safety reps have helped guide Cadent into continuing to develop and deliver the annual safety reps conference. From a WM NG Branch perspective I have also attended the quarterly WM UNISON H&S Forums.

NATIONAL GRID

Recruitment and membership

The branch has introduced a number of recruitment initiatives such as matched gift vouchers. Recruitment stands on the street in National Grid, which is once every 3 months as this is regulated. Branch has also participated in the recruitment drive in National Grid training facility for apprentices.

With the current re-organisation we are seeing a steady increase in recruitment. Several new reps have become active, and contributory factors towards good recruitment have been incentives, existing and new member raffles, and continued communication from both the branch exec and local reps. We recently had our branch AGM and reps development weekend, and a number of reps have taken branch officers positions and for the first time in a few years we now only have 3 branch officers positions vacant.

We have continued to recruit strongly but over the year there have been a lot of leavers, and some more expected, due to a redundancy programme which has now been completed. The number of severance agreements added to the loss but we have a lot of events planned for this year to recoup the numbers lost.

Organising

The key priorities for UNISON in National Grid have been the recruitment and retention of membership, communication, the development and organisation of reps and Young members.

Pay

Negotiations with company concluded by September 2018, an acceptable offer was sent to members to ballot on in October 2018 which was accepted. The offer was for 3 years and increased base pay by 3.1%, 2.9% and 2.8% in year 3.

Pensions

The current pension deal is due to expire on March 2021, along with the current pay deal.

Changes to T&Cs

Business expenses policy, flexible working policy and the Compulsory Permanent Transfer (CPT) is being reviewed currently.

London Allowance Working Group, and payments are meeting regularly at the moment, so expecting proposals to change.

Equality and diversity

Branch has worked in collaboration with NG ONE group for the Black History Month event which had a range of activities throughout October 2017. This collaboration will also enable the branch to reach out to diverse members within the business. We hope to continue our collaboration with the ONE group occasionally.

A concerted effort has been to recruit more black members, and develop them into activists too, to reflect our workforce population.

The business have also developed manager guidance (not a full policy though) on Domestic violence, thanks to UNISON pushing this.

Health and safety

The business is looking at (very early stage) signing up to TUC charter – Dying to work.

We have also agreed the ability for staff to have short notice emergency leave, as part of mental health offering within NG.

SSE

Recruitment and membership

Despite losses from redundancies and without prejudice meetings our membership has remained stable which reflects the hard work of activists to keep recruitment.

Organising

Our key priority for the past year had been protecting T & C's for our members through these periods of uncertainty.

Pay

No agreement at the time of writing but talks resume on 20th March 2019. We had been uncertain on pay development due to the merger with Npower but as that was cancelled we rejoined the wider business talks.

Other developments

The merger with Npower collapsed at the eleventh hour yet, Retail is still considered to be a separate part of SSE. Members are very concerned as nobody is really sure what the future holds. At the time of writing we are aware that SSE is hoping to float the Retail business in which most members work on the Stock Market as an independent company. If this is not viable then Retail may remain under the SSE umbrella but retain operational independence, with its own directors and make its own decisions. The retail sector is under intense pressure with customer losses and lower margins.

UKPN

The highlight for UNISON in UKPN was the agreement reached with the business on the call / customer centre charter. A great deal of work was put in by the London region and its officer Carol Lewis to deliver this. It is hoped that this enable further improvements to the working environment for UNISON member.

Morrison Data Services

A joint pay claim with the GMB was submitted to the employer for 2018 together with a request for information for the purpose of collective bargaining. The joint negotiations began on 4th April 2018. After several meetings with the employer an offer ranging between 2% - 3% was put to the members with a recommendation to accept. This was overwhelmingly accepted in the ballot.

Fulcrum

2018 Pay Award – A survey of members took place prior to the 2018 pay negotiations to understand their aspirations for the 2018 pay round. Following a ballot of members which ended on 8th June 2018, agreement was reached on a 2.5% pay award operative from 1st July 2018.

Npower

Pay

Currently we have been in the process of balloting our members as the company has offered a 1.5% pay increase.

Merger

The SSE retail and Npower merger collapsed just prior to Christmas. This has left Npower now facing the prospect of being absorbed into the EON business as part of the Eon acquisition of Innogy (see below). A great deal of uncertainty now exists amongst the Npower workforce. In line with this the business announced a further round of job losses which we are currently dealing with.

E.ON take-over

During the week commencing 12 March 2018 it was announced that RWE and E.ON reached an agreement in principle according to which RWE shall sell it's 76.8 per cent stake in Innogy SE to E.ON. Binding agreements have not yet been concluded. The sale will be performed via a wide-ranging exchange of business activities and participations.

In exchange for its 76.8 per cent stake in Innogy RWE would receive a 16.67 per cent participation in E.ON. The shares would be issued by E.ON by way of a 20 per cent capital increase against contribution in kind under the existing authorisations. In addition, RWE would – after E.ON has gained control over Innogy – get substantially all of E.ONs renewables business.

Siemens Metering

Following negotiations with **SIEMENS** and a ballot of members the following deal was accepted:

- 2.4% increase on basic pay, Field Standby and London Allowance. This pay review is effective from 1st January 2019 for employees subject to collective bargaining.
- All employees (Collective Bargaining and non Collective Bargaining) whose salary is under £25,000 as of 5th November 2019 will receive a 3% increase on basic pay.
- If the Union members reject this offer the above offer will be retracted.

In addition to the above, the following actions were agreed:

- A commitment to offer all Water Meter Readers on 27 hour contracts the opportunity to move on to a 39 hour contract should they wish.
- A commitment to undertake a separate review of the C&I Field Engineers salary in relation to a national benchmarking exercise.

2.16 Western Power Distribution (WPD)

UNISON secured a significant outcome in pay negotiations with a new 2 year.

Objective Three: Campaigning and promoting UNISON on behalf of members

3.1 Warm Homes Report

UNISON continues to push the findings of its 'Warm Homes' report (although some 4 years old) and the actions contained within. Essentially we continue to call for the findings of the report to be implemented and stand by the recommended actions 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. Recent engagements with the Labour Party have been positive in that it is committed to retro fit up-to 4 million homes in its first term if elected. The pressure to retro fit will grow as we move forward as it is an essential part of any carbon reduction programme necessary to meet legal obligations. How such a programme could be delivered needs careful consideration learning lessons from the poorly executed smart metering programme.

3.2 Hydrogen Gas

As the largest staff union in the Gas industry we have been leading the debate on decarbonising gas so that it can continue to be used without carbon emissions, keeping homes warm at an affordable price. While it is clear that those involved in the environmental lobby see the future as one which is wholly reliant on renewable electricity we do not consider this to be an achievable objective within current electricity demands and capacity restrictions. While it is feasible to build out gas central heating in new homes by 2025 as the Chancellor of the Exchequer announced it still needs a planned alternative that is deliverable, otherwise we will be asking people to live in cold homes in which the price of heating and hot water is substantially more expensive than today with consequent implications for fuel poverty levels.

The scale of electrifying the UKs heating needs (domestic and business) is simply off the richer 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 supporting the decarbonisation of the gas network, initially via the conversion of methane gas into hydrogen gas (carbon free when used) via steam methane reformation, carbon capture and storage and by increasing the use of bio and synthetic gases in the domestic mix up to maximum safe levels. This would allow time to develop the renewable capacity required which could be used to generate hydrogen gas through electrolysis.

The big advantages of this approach are that the gas is easily stored and transported and makes use of existing assets, for instance using the existing gas pipe network which is currently being upgraded as part of the national mains replacement programme.

Our continued support of the Hydrogen alternative has led to us being instrumental in the setting up of the all party parliamentary group for Hydrogen which is now up and running with a full programme of work. The National Energy Officer has also engaged widely with key stakeholders including key employers, City Mayors in Northern regions, MPs, and various NGO's. Planning is currently underway for a Hydrogen summit in early summer.

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 around 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 already but we cannot rest until all key employers have committed to this goal. Presently SSE, Centrica/British Gas, EDF Energy and National Grid have achieved this important milestone. Over 100,000 employees are now covered by agreements in the Energy sector reached with UNISONs active participation.

3.4 Call Centre Charter

We have not been successful in progressing the Call Centre Charter as we would have liked. This is largely a result of the many pressures contact centres are facing. 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 / Cadent Gas did agree to become signatories prior to last year's annual report. On a positive note, the discussions with UK Power Networks on introducing the charter in relevant UKPN workplaces led to successful agreement and signing late last year. The Charter remains highly relevant to the work our members do in the industry, and it has important equality dimensions to it which we are promoting whenever possible.

3.5 Just Transition

One of the biggest challenges facing workers in the energy sector is the need for the UK economy to de-carbonise. Energy remains a key carbon intensive industry and significant change is required to enable it to decarbonise in line with recognised obligations. As a result trade unions developed the concept of Just Transition to enable the shift to a low carbon economy that is not only sustainable but also fair on those who stand to lose out, especially workers in carbon intensive environments like energy. During the COP21 Paris climate change talks UNISON's National Officer for energy was part of an international trade union lobby effort to ensure the climate agreement included the right to a just transition for workers impacted. The concept of a Just Transition was included in the narrative if not the legal text. The four recognised energy unions, ourselves, Prospect, GMB and Unite have become concerned in recent years that Just Transition has become meaningless slogan with few positive gains achieved. As a result we have sought to reclaim the narrative and develop a series of key demands on employers and governments imposing change. The demands were agreed at a national one day joint trade union seminar at the UNISON centre in London. Attended by delegates from all four unions, the event included contributions from the TUC deputy GS Paul Nowak and the ETUC policy Officer Benjamin Denis.

The work on Just Transition continues with key discussions being held with the TUC and the TUSDAC working group. It has also been a key topic on agendas with both employers and politicians.

3.6 Political Engagement

We continue to seek influence with political groupings both to understand current thinking and to influence that thinking to support UNISON energy members. Key stakeholder engagements are supported by Connect public affairs and we have secured meetings with Shadow BEIS ministers, MPs etc and select committee chairs.

This year has seen increased activity as we continue to try and influence and engage with the development of Labour Party thinking around its own energy policy and the public ownership debate. This has been a difficult conversation as current Labour Party policy is largely negative for the majority of our unions energy workers. The key area of disagreement is our requirement to ensure the bulk of our staff membership are protected in any public ownership proposals. We remain deeply concerned at the notion of public sector challengers sitting alongside unionised private sector suppliers without a developed narrative as to what happens to our member's jobs. Such a proposition appears totally dogmatic and lacks credibility in the current climate.

As a result of this the UNISON National Energy Officer coordinated a letter from UNISON's General Secretary Dave Prentis and the GMB GS Tim Roache to Jeremy Corbyn calling for the nationalisation of the retail and customer operation of the big 6 suppliers. Further discussions have taken place around this and a working policy paper has been produced by the UNISON National Energy Officer with additional research from Professor Dave Hall. The working paper fully supports the case for public ownership of retail and customer operations and explains that the net cost is far lower than current public ownerships proposals and also could achieve more in a shorter time scale.

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 have continued to support the work of TUED (trade unions for energy democracy) and have engaged directly with Sean Sweeny who is instrumental in the TUED's work. We participated in an international conference in Sheffield last summer and led one of the workshops.

3.7 Regulators Engagement

In many way the role of the regulators have traversed all areas in which our members work in the energy space. This wasn't so evident n the past but the introduction of the energy price cap has meant that the regulator hold significant influence over the fortunes of UNISON members. As a consequence of this we doubled up on efforts to establish productive relationships with Ofgem and its CEO Dermot Nolan. We have been successful in this objective and have now established a regular twice yearly meeting which we have expanded to include other energy unions so as to maximise the outcomes. So far we have been able to engage directly with Dermot Nolan and his team on matters such as; the price cap, RIIO 2, skills and resilience, pensions and future investment plans. We will continue to use this developing relationship to further members concerns and interests.

3.6. Europe

UNSION 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. For 2019 the UNISON National Officer will hold the chair of the SSDC. Increasingly, energy policy is being driven by the drive to create the single market for energy, the European energy road map 2050 and the 4th energy package. 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, impacts of digitalisation, energy security, just transition and developing the right to energy.

In the past year additional work has been undertaken following the SSDC securing a significant grant from the EU to support a project based around entry training and skills in the electricity sector. This work concluded at the end of 2018 but new funding has been agreed with the EU to develop further work streams on developing the workforce.

Engagements within the SSDC on behalf of EPSU are governed by our involvement in the EPSU standing committee for public utilities. The National Officer for energy is currently president of the EPSU Standing Committee for Utilities and this drives the trade union agenda for the SSDC and liaises with the European Commission to progress the agreed work plan. We also use this committee to link in with the work of the ETUC.

The benefit of our European engagements was demonstrated last year when a letter organised by ourselves went from EPSU to the CEO's of RWE, Innogy and Eon asking for a meeting with the UK unions following the assets swap and merger announcement linked to the SSE and Innogy merger. Meetings took place in both Düsseldorf and London with the CEO's of RWE, Innogy and Eon. These meetings were helpful in pushing members concerns to the top of these organisations. The subsequent merger was abandoned.

3.8 Health and Safety

UNISON is represented on electricity industry health and safety body HESAC by the National Officer and Tracey Kellagher (WPD). 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 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 (unlike electricity) do not lead collectively in this area. A wide range of concerns have been discussed during the past year, and the possible challenges of RIIO 2 (Revenue = Incentives + Innovation + Outputs) will lead to many more going forward. A particular focus of concern has been the 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 2018 Energy conference. The Executive bi-annual cycle commenced after 2018 NDC for a period of 2 years.

The Energy Service Group is represented on UNISON's National Executive Council (NEC) by Paul Glover. Paul reports in writing to the Executive on the activities of the NEC.

4.2 Chair and Vice-chair

Jenny Middleton was elected chair of the Executive for 2018-19. Angela Greenhalgh was elected vice-chair.

The current Executive membership, sector committees and sub-committees prior to 2019 conference is set out below.

4.3 Energy Service Group Executive:

Regional representatives

Region	Name	Seat
Eastern	Vacant	General seat
East Midlands	Andrew Morgan	General seat
Gillian Byron	Female seat	
Greater London	Vacant	General seat
Northern	Carole Anne Woods	General seat
North West	Stephen Dickson	General seat
	Angela Greenhalgh	Female seat
Scotland	Tony Grieve	General seat
Laura Mason	Female seat	
South East	Mel Jeager-Valder	General seat
South West	Paul Cawdell	General seat
Cymru/Wales	Claire Marsden	General seat
West Midlands	Paul Cudby	General seat
Yorkshire Gas	Jenny Middleton	General seat

Co-opted from sector committees

Lindsay McNaught	British Gas Sector
Edith Farrar	E-ON Sector
Kirsty Moore	RWE/NPower
Vacant	Scottish Power/ Manweb
Jayne Yates	Scottish and Southern Energy
Rebecca Reece	Cadent Gas
Tracey Wainwright	EDF Sector
Miriam Latona	National Grid

Sub-committee Membership

i) Business and Environment Equal Opportunities Working Group Angela Greenhalgh, Miriam Latona, Lindsay McNaught, Jenny Middleton and Stephen Dickson. Gillian Byron (substitute)

ii) NEC Appeals Panel
Jenny Middleton and Angela Greenhalgh.

iii ENA Health, Environment and Safety Committee (HESAC) Matt Lay and Paul Glover.

iv) UNISON National Health and Safety Committee
Tracey Wainwright

4.4 Energy Branch Seminar 2018

The 2018 branch seminar was attended by 45 branch delegates, 13 members of the Executive attended – overall a total of 58 excluding guest speakers and staff.

The seminar comprised a range of speakers and workshops. Speakers included the former HR Director of Eon, presentations on reasonable adjustments, understanding transgender issues, developing young members and developments with pensions. All sessions were interesting and informative and received positive mentions in the feedback.

At the social event on Saturday the raffle raised £470, this amount was matched to make a total of £940 which was split between two charities: Gambia Schools Project and Sheffield Children's Hospital.

The seminar for 2019 will take place in Cardiff on the last weekend of October.

Action on motions passed at the 2018 Energy Service Group conference

Motion	Status
1. Recruitment & representing disabled members in the Energy sector Conference therefore calls on the Energy SG Executive to: a. encourage energy branches and regions to include specific recruitment materials aimed at disabled members on recruitment stalls and at local and regional events. b. Promote our disabled members SOG, its regional groups and national events and actively work with branches to engage disabled members in their workplaces and to encourage the election of branch disability officers and the establishment of branch disabled members SOGs. c. Raise awareness of the bargaining resources available to support representing and negotiating for disabled members working in the Energy sector.	Completed
2. Bargaining for good Mental Health Policies in Energy workplaces Conference calls on the Energy SGE Executive to: 1. Publicise UNISON's "Bargaining on Mental Health Policies" guidance to Energy branches, including encouraging branches to lobby employers to make a public commitment to mental health wellbeing in the workplace, 2. Seek and disseminate examples of best practice in Energy branches, 3. Use this work as a recruitment tool to engage new members, including disabled members, in UNISON	Completed: This is a global issue, monitoring through bargaining with employers to ensure appropriate support mechanism are in place for those with mental ill health. A workshop was also held at the last Branch seminar to empower and educate activists.
3. Inclusive workplaces policies. Conference call on the Energy SG Executive, working with the Business and Environment equal opportunities working group to: a. Gather good practice examples from energy employers of inclusive policies and practices, including in record-keeping, language, any dress codes and in the provision of safe and accessible gender neutral facilities; b. Promote the good practice across the service group.	Completed: under constant review through the B&E Equal Ops Committee to guide and advice the Executive on appropriate negotiating elements as may be required .
4. Flexible working Conference calls upon the Energy SG Executive to share good practice in this area and to issue updated guidance to branches on: 1. Right to request process; Campaign to make the workplace more family friendly 2. The factors to be considered in making such a request; 3. How to appeal against refusal of a request – ensure flexible working policies are correctly enforced 4. Where an employer does not have a flexible working policy, branches should be encouraged to negotiate one using the model flexible working policy. Where an employer does have a flexible working policy in place, however not sufficiently robust, branches should be encouraged to negotiate stronger flexible working provisions.	Completed: Branches have been written to highlighting the issue and pointing them towards UNISON guide. We have also asked for modals of good practice and workplace schemes.

Motion	Status
5. Npower & SSE Merger We call on UNISON Energy SG Executive to ensure that UNISON: 1) Engage with the senior management of both companies to seek guarantees there will be no compulsory job losses and any attrition will be done voluntary and on decent terms; 2) Seek agreement that both companies will commit to retraining and retaining employees who wish to stay on in the new merged company and contribute the success of 'Mergeco' 3) Works to ensure that no merged employee is materially less off in their terms and conditions of employment; 4) Seek guarantee about the respective pension schemes to ensure that no transferred employee is materially worse off under a new pension arrangement; and 5) Make sure that the new Mergeco' will honour existing recognition agreements with the trade unions.	Completed: The merger collapsed after CMA approval. UNISON continues to work with the respective employers to ensure that member's jobs are protected with no compulsory redundancies.
6. Support Leeds H21 Project - Hydrocarbon We therefore call on the Energy SG Executive to: 1. Continue to promote Hydrogen conversion of the Gas Network as the best and most cost effective way forward to achieving a clean future for the heating of homes and businesses in the UK; 2. Promote the H21 project as Leeds based example of what can be achieved; 3. Recognise the huge energy jobs potential of such a conversion programme and organise to recruit in this area; 4. Support the development of an all party parliamentary group to promote this conversion and lobby MP's and the Government to take this challenge seriously.	Held a Parliamentary group meeting last year in conjunction with Northern Mayors in order to understand their policies on this issue. Further engagement is planned including a Hydrogen Summit. Progress will continue to be reported on.
7. Stress in call centres and operational centres Conference therefore renews its call on the Energy SG Executive, working with the business and environment equal opportunities working group, to: 1. Survey energy branches with call centre members on whether their employer has signed up to the charter; 2. If so, investigate: a. How it is being implemented and b. Whether it makes specific reference to tackling anti-LGBT abuse. 3. Work with branches where the employer has not adopted the charter to negotiate its implementation; 4. Urge training for managers and staff on LGBT equality issues and combating harassment and bullying across all energy employers and for all staff.	In progress - Joint work to be done with the water, environment and transport service group.
8. Renationalisation Conference therefore calls on the Energy SG Executive to: i. Engage with the Labour Party through UNISON Labour link, to promote the need to renationalise the customer and retail operations of the energy suppliers to protect member's employment; ii. To develop a strong rationale for this proposition to ensure a compelling case is made; iii. To ensure that the jobs, pay and conditions and pensions of members in energy are protected during any future renationalisation. iv. To work with the NEC and UNISON Labour Link to promote renationalisation along the lines this motion supports, and the very clear benefits to all concerned by such a move including all energy members.	Ongoing engagement with Labour Parliamentary team and UNISON Policy team continues. Policy paper now produced and circulated to key stakeholders. Discussions ongoing.

Motion	Status
9. Municipal Energy Companies Conference therefore calls on the Energy SG Executive to: i. Investigate the growth of municipal energy companies and the financial robustness of them; ii. Understand better the challenges they might pose to UNISON's energy membership; iii. Work with the Local Government SG to see what organising and recruitment potential exists within municipal energy companies and how we might grow membership and union power within them.	Not fully completed. Initial discussion has taken place with APSE (association of public service excellence) and UNISONs head of policy to look at ways to progress this.
10. Report back to conference on combining Energy conference and Energy Branch seminar This conference is therefore asked to note the report and accept the recommendations contained within.	Completed: No further action is required.

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