

union for professionals



# Prospect Presentation

Ofgem Seminar  
9 November 2009

# Introduction

- Prospect represents 102,000 members across the public and private sector.
- In the utilities sector Prospect mainly represents engineers, managers and other professionals.
- Consistent approach to the review from the main trade unions in the sector (GMB, Unite, Unison).
- Intend to give the views of members of the schemes affected by this process.

## Need for Review

- We recognise Ofgem's legitimate interest in pension costs and its need to ensure these are managed efficiently.
- The publication of detailed information on pension costs is welcome.
- GAD's report on pension arrangements very clear, objective and authoritative.

# Consultation Process

- Sense that the need for change to principles was almost predetermined.
- Conclusions do not seem to have followed the evidence.
- Not clear that consultation responses have impacted on Ofgem's thinking.
- Now seem to be only concerned with relatively minor issues around implementation.

# Concerns with 'minded to' position

- Not evidence based
- Fundamental misunderstandings
- Short-term focus
- Internal inconsistencies
- Particular problems with DPR5 approach
- Inappropriate impact
- Increases costs for consumers

## Members' Views

- This issue has had a very high profile amongst members.
- Members have very strong views about their pension rights.
- The issue most likely to provoke industrial unrest amongst workers in the industry.
- Does Ofgem want national bargaining?

# Prospect's Preferred Approach

- Maintain current principles.
- Engage GAD to review operation of principles on a regular basis.
- Focus Ofgem's resources where they can be most effective.