



**DEPARTMENT OF ENERGY & CLIMATE CHANGE
CONSULTATION ON THE SMART METERING
IMPLEMENTATION PROGRAMME**

GMB RESPONSE

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[REDACTED]
Commercial Services Section
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www.gmb.org.uk

Introduction

1. GMB is the United Kingdom's third largest trade union with 610,000 members employed in virtually every sector of the economy. GMB is the predominant trade union in the energy sector with membership employed throughout the UK in the Nuclear, Coal, Electricity, Gas, Oil and Renewables industries, undertaking a wide range of activities, from production and distribution to retail and service. GMB has an influential voice within the energy sector and a comprehensive understanding of the importance of developing and modernising this sector to benefit the national economy and meet the UK's energy needs.

2. Additionally, and regardless of which sector they work in, GMB members are also energy consumers. We subsequently also have a strong interest in the social and economic impact of energy sector developments on our wider membership.

3. GMB therefore welcomes the opportunity to comment on the Department of Energy & Climate Change Consultation on the Smart Metering Implementation Programme. We previously submitted a response (in August 2009) to the Consultation "Energy Metering: A Consultation on Smart Metering for Electricity and Gas", and this response echoes the views and concerns we expressed in that submission.

4. After welcoming in principle the proposals for the roll out of smart meters, the focus of our response is on the very significant challenge that the smart metering programme represents, and the need to ensure that the energy industry is fully equipped to meet that challenge. Our response is related to the issues raised in Questions one and eight.

5. GMB continues to hold the view, expressed in our submission of August 2009, that the only way to ensure that this hugely important programme can be delivered with full trust and confidence will be by the use of a *directly employed* workforce which is competent, fully trained and effectively managed, and which adheres to the very highest standards of health and safety and customer care.

The need for smart metering

6. GMB recognises the very strong case for the Government mandating a major programme to roll out smart meters for electricity and gas. We both welcome and support this initiative, which we believe to be an important stepping stone in the essential transition towards a low-carbon economy. We believe that the installation of smart meters will provide a very substantial range of benefits and that they are central to meeting the strategic challenge of managing the changing nature of energy generation and consumption. The emerging energy mix that will be required to supply the nation's energy needs over the coming decades will inevitably require the development of smart grids for the future, and electricity and gas smart meters will be one of the

technological cornerstones on which the energy sector can build its response to this challenge.

7. Through the provision of more accurate real time information on energy consumption, smart meters should also greatly assist consumers to manage their energy use more effectively, allow consumers to switch more easily between suppliers and enable suppliers to offer consumers a greater range of lower-cost packages. These consumer benefits should both reduce energy bills and increase choice for the householder. In view of the recent high energy bills that UK energy consumers have been subjected to, any initiative that delivers real and substantial cost savings would be welcomed by those struggling to meet their energy bills.

Installation of Smart Meters and IHDs

8. Notwithstanding our strong support for the smart metering programme in principle, GMB does have serious concerns over the preparations for the smart metering programme.

9. We note that no other country has yet implemented a programme of rolling out gas and electricity smart metering on the immense scale of that proposed in the Smart Metering Implementation Programme. We also note that the roll out programme will involve visits to over 27 million households, over a number of years, to replace existing meters and provide the in-home display device (IHD) which will be so crucial to the success of the programme.

10. It is clear that a project of this length, magnitude and complexity will present many technical and managerial challenges. The roll out of smart meters must be properly, effectively and comprehensively planned, prepared and delivered.

11. We also believe that it is vitally important that the trades unions in the energy sector, as major stakeholders with a wealth of experience in contributing towards the management of change in the sector, are consulted and included in decision-making at every step of the programme's development.

12. We note the Government's determination to make progress with the implementation of smart metering rollout quickly, but GMB believes that in scoping, planning and resourcing the required programme of work, it is vital that the lessons learnt from the current organisation of work in the energy sector are fully taken into consideration.

13. Specifically, we believe that it is crucially important that the high standards which prevail amongst the best companies in the energy sector are maintained by the companies that will be involved in delivering the smart metering programme. The reputable employers in the gas and electricity industries are involved each and every day in organising and carrying out safety-critical work activities and, generally speaking, have well-developed safety cultures which

have delivered a consistently strong health and safety performance for many years.

14. We therefore strongly welcome the decision that the installation of smart meters will be undertaken by the energy supply companies. However, our fear is that there will be a temptation, because of the sheer scale of the smart metering programme, that the contractorisation model which has crept into the gas and electricity industries in recent years will be seen as the 'method of choice', by the energy suppliers, for delivering the programme.

15. Our fears are exacerbated by current events within the industry, and the apparent lack of workforce planning. Not only are companies making meter readers and installers redundant, as we approach the advent of the most significant programme of work the industry will ever undertake, but there is little indication that suitable training programmes are being developed to ensure that skilled operatives are being prepared to deliver the implementation programme.

16. This suggests that the energy supply companies may be intent on relying on non-directly employed labour to deliver the programme. GMB strongly believes that there would be no merit whatsoever in the energy companies that are awarded the contracts to deliver the programme simply sub-contracting this work out, without regard to the need to maintain extremely high standards of technical excellence, health and safety, and customer service.

17. It is important for the Government to fully recognise and understand, particularly in view of the crucial role that the installation workforce (in addition to those who will advise householders on their energy use and the role of the IHDs) will play in influencing the consumer experience and public perception of smart meters, the importance to householders of being able to trust and rely upon those that they let into their houses to carry out this work. Particularly for the elderly and vulnerable, trust and confidence in the skills and reliability of those they let into their homes to carry out work is of paramount importance. Unfortunately, the track record of many contractors is suspect, with too many giving insufficient attention to important matters of health and safety, training and competency, and customer service.

18. We believe that only those companies with a demonstrable record of investing in their workforces should be awarded the lucrative contracts to carry out work of such importance. Well established companies in the industry, in sharp contrast to too many of the contractors, are mindful of the need to train and upskill their employees not just in technical skills and safe working practices, but in 'softer' (but nevertheless vitally important) skills like customer care.

19. Well-established companies which use direct labour have standards to maintain and reputations to protect. They invest in their workforces, offer apprenticeships, and through the provision of training, equip their employees not only with technical knowledge, but with the personal, communication and social skills necessary to put customers at ease whilst they get on with the

job. If we are serious about developing a successful smart metering programme, as part of a skills-based low-carbon economy, there is simply no room for contractors that lack commitment towards their customers and workforce.

Conclusion

20. GMB, in conjunction with the other trade unions in the sector, are seeking to ensure that our concerns, outlined above, are fully addressed as the delivery plan for the smart meter implementation programme is developed.

21. We firmly believe that it is essential for the successful rollout of the programme that it is effectively managed and delivered, and that this can only be achieved by the use of a fully qualified and directly employed installation workforce. Steps need to be taken sooner, rather than later, for the training and development of sufficient operatives with the skills and ability to deliver the programme.

22. We therefore urge the Government to use its influence on the energy supply companies to ensure that there will be a fully trained and directly employed installation workforce that meets the very highest standards of health and safety and customer care. There must be no scope for involvement in the smart meter programme for any contractorisation model which would threaten public confidence in the programme and drive down the all-important standards that are vital to the safe and timely rollout of smart meters.