



Unite Submission to the Department of Energy and Climate Change & OFGEM Smart Metering Implementation Programme Prospectus

1. Executive Summary

- 1.1 The deployment of smart meter technology for all domestic consumers will present the UK energy sector with a significant challenge. A challenge which can only be met with the active participation of all industry stakeholders.
- 1.2 Unite believe that the effective management of a fully qualified and directly employed workforce will be essential not only to deliver the programme on time and on budget but also to ensure a continuity of the highest levels of competency and health & safety standards.
- 1.3 Unite remain unconvinced that the energy supply and meter operating companies are making sufficient provision to ensure that enough skilled operatives will be engaged in that part of the industry at the time when they will be required to deliver the proposed smart meter rollout programme.

2. Introduction

- 2.1 This submission represents the views of Unite the Union. Unite is the UK's largest Trade Union with almost 2 million members working in a raft of industrial sectors including energy, manufacturing, construction, engineering, transport, information technology, finance, local authorities and the National Health Service.
- 2.2 In July 2009 Unite provided a formal submission to the Department of Energy and Climate Change Consultation on Smart Metering for Electricity and Gas.
- 2.3 Unite continue to hold the view articulated in that submission, namely that the roll out programme can only be delivered on time and on budget by an effectively managed, fully qualified and directly employed workforce.

3. Workforce Planning

- 3.1 Unite would make the case that workforce engaged in the roll out program come from those operatives who are already working in that part of the industry. This is essential to ensure a continuity of the highest levels of competency and health & safety standards.
- 3.2 Furthermore to ensure consistency, those operatives brought into the industry to meet increased demand in the medium term must be directly employed on comparable terms and conditions to those operatives already engaged.
- 3.3 Based our experiences in other sectors of the UK economy, most notably in the construction industry, Unite would stress the importance of having a directly employed workforce to counter the proliferation of tenuous employment practices and bogus self employment.
- 3.4 Unite believe that the relative skills shortage across the UK energy sector means that it is imperative that a consistent re-training package is developed for operatives to ensure that once the peak in the installation work has elapsed they are ready and able to be actively engaged elsewhere in the industry
- 3.5 Unite have seen very little evidence that the energy supply companies are making sufficient provision to ensure that enough skilled operatives will be engaged in the industry at the time when they will be required to deliver the programme.
- 3.6 Unite are keen to facilitate an open and transparent dialogue with all industry stakeholders in order to expand on our understanding of the issues which will, if left unaddressed, hamper the ability of industry to deliver the required network of smart meters.
- 3.7 An understanding which has been gained by our members employed in the metering sector over a number of years who naturally have sophisticated knowledge of its ability to deliver the smart meter roll out programme.
- 3.8 After consultation with these members Unite is increasingly concerned that there are simply not enough skilled workers to deliver the programme. Unite believe that any objective measure would bear this out.
- 3.9 This view is further substantiated when we consider that of the total number of operatives employed in the metering sector only around 20%

are qualified meter installers, with 70% undertaking a reading only function and 10% engaged in other activities.

- 3.10 Unite believe that somewhere in the region of 90% of readers could be up-skilled in a relatively short time period (as they already have an understanding of the industry) if suitable training programmes were in place.
- 3.11 Clearly the training period for operatives coming into the sector from elsewhere would be significantly longer and more costly (regardless of their background) as they are unlikely to be familiar with the full range of statutory regulations or have an implicit understanding of the energy supply sector.
- 3.12 This problem is being further exacerbated as companies currently engaged in the reading and installing of meters scale down their operations in anticipation of the smart meter roll out programme.
- 3.13 Put simply this falls into two areas, the frequency of meter reading has been extended whilst at the same time meters which should have been replaced as part of the recertification programme are having their life cycle extended.
- 3.14 The net result of this is that companies are now making both meter readers and meter installers redundant on the eve of the largest programme of work ever undertaken by that part of the industry.
- 3.15 Unite find this situation inconceivable, although we do appreciate the fact that energy supply companies have struggled to make sufficient forward planning on staffing levels without a clearly defined timeline for the roll out programme.
- 3.16 Furthermore, Unite would cite the obvious lack of recruitment and the ageing demographic of the retained workforce as additional factors which should not be overlooked.
- 3.17 Unite would also caution against any complacent expectation that the shortage of skilled operatives going forward will be filled by imported labour. This is both unsustainable and in reality likely to significantly increase training costs and potentially jeopardise public engagement in the programme.
- 3.18 It would also mean that the programme itself fails to generate employment opportunities here in the UK, subsequently increasing the burden on the state and reducing tax revenues.

- 3.19 Unite believe it is essential that Government has a developed understanding of the relative demand for skilled operatives over the duration of the roll out programme and beyond, so that it can effectively encourage the privatised energy sector to deploy its resources more efficiently.
- 3.20 We might consider for example that as the programme rolls out and the number of traditional meters declines, energy supply companies will need to have suitably timed training programmes in place to seamlessly facilitate the transition of operatives from the reading to installing functions.
- 3.21 Consideration also needs to go beyond the peak of the installation programme whereby such operatives, with their implicit understanding of the sector, are then engaged as energy advisers to ensure that public engagement is firmly behind the whole concept of reducing carbon emissions.
- 3.22 Such a suitably resourced role would also ensure that visual inspections are relatively easy to facilitate and that the general public are fully apprised of the opportunities around issues such as micro-generation as well as being on the most appropriate tariff for their circumstances.
- 3.23 Clearly this ambition will only be delivered by utilising operatives who are permanently engaged in long term employment in the energy supply industry.

4. Safety Considerations

- 4.1 Unite strongly believe that the checks on the competency of operatives engaged in the installation programme must be both transparent and robust, not least for the objective fact that any shoddy workmanship will have fatal consequences.
- 4.2 The necessity of using competent directly employed staff from the industry becomes even more apparent when we consider the consequences of visiting such a vast number of properties over the duration of the roll out programme.
- 4.3 It is likely for example that such operatives will be sufficiently knowledgeable enough to report any properties which do not meet current regulations, to the relevant energy distribution company. Such a task is unlikely to be undertaken by a sub-contractor (potentially self employed) on piece work, whose primary motivation will be to maximise their earning potential.

- 4.4 Similarly Unite believe that directly employed staff whose income is not entirely dependent on the volume of meters installed will be far less likely to introduce hazards which did not exist before their visit, such as reversing the polarity of the supply connections.

5. Public Engagement

- 5.1 Unite would caution that poor planning and management of the installation workforce could do much to influence the public perception of smart meters
- 5.2 The objective fact remains that any negative perceptions the general public develop in respect of the installation and/or operation of smart meter technology will have the potential to significantly increase the cost and duration of the overall programme.
- 5.3 We should not lose sight of the fact that the programme is entirely dependent on gaining access to some 26 million domestic properties across the whole of the UK within a defined time period.
- 5.4 Unite would strongly endorse the suggestion that if the general public are encouraged to take the view that the overall rollout of smart meters is going some way to creating long term employment opportunities in the energy and utilities sector (alongside the development of say renewable energy) they are far more likely to take a positive view of the deployment of the new technology.
- 5.5 Similarly the proliferation of or even the perception that the rollout programme is being undertaken by a raft of workers, on tenuous employment terms and with no direct affiliation to the branded energy supply companies is extremely likely to have the opposite effect.
- 5.6 Unite would suggest that the relative success of those trials which have already taken place is largely down to the fact that the work has been undertaken by a directly employed competent workforce.

6. Conclusion

- 6.1 Unite are extremely concerned that insufficient consideration has been given to the provision of a skilled and competent workforce to undertake the smart meter rollout programme. The clear intention to accelerate the programme only serves to exacerbate this concern.
- 6.2 That said, Unite now acknowledge that the energy supply and meter operating companies are being encouraged - since the publication of the

Rollout Information Request on the 7th September 2010 – to divulge details of their recruitment and training strategies.

- 6.3 It is unfortunate that, to date, such information has not generally been forthcoming to the existing workforce. A workforce which it should not be overlooked is both declining in terms of overall numbers (as companies scale back their existing operations) and has an aging demographic.
- 6.4 If Government is serious in its aspiration that the UK becomes a genuinely low carbon economy it is essential that those competent operatives and backroom staff who will ultimately be displaced at the conclusion of the rollout programme are redeployed elsewhere in the industry to encourage the development and take up of renewable energy and micro-generation. Training strategies to facilitate this need to be in place now, before those workers are lost to the industry.
- 6.5 More immediately Unite have very real concerns that the ultimate legacy of the smart meter rollout programme will be not only the dilution of existing employment opportunities in energy and utilities sector but the proliferation of shady employment practices with little or no opportunity for training.
- 6.6 Unite believe that without a clearly defined code of practice for companies and operatives engaged in the smart meter roll out programme, measures will be taken to reduce marginal costs in the short term which will only serve to increase the overall budget and the time scale of the programme.
- 6.7 An obvious example of this would be the potential requirement on the energy supply companies to audit the work of contractors more regularly than that of their own directly employed staff.
- 6.8 Similarly, the expansion of a transient workforce in the metering sector is far more likely to distort the regional market rates for skilled operatives as they gravitate towards the contractor offering the best rates at any given time.
- 6.9 Unite are therefore seeking an open and transparent dialogue with all industry stakeholders to ensure that the programme is delivered on time and on budget and generates the maximum benefit to the UK economy and its workforce.


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