1. **Call for Evidence on the Electricity Transmission, Gas Transmission and Gas Distribution Business Plans for RIIO-3**
2. *Written evidence submitted by Prospect Trade Union, 7th February 2025*

## About us

Prospect is the UK’s leading energy union and a strong advocate for a secure and decarbonised energy system that supports good jobs in all parts of the country. Of our 160,000 members, 24,000 work in energy sector. They are the engineers, managers, and specialists keeping our energy system running and driving us towards a net zero future.

Our members work in energy generation, transmission, distribution, retail and research roles in all parts of the UK, and we have strong membership bases in the electricity network companies. Our submission is informed by their experiences and expertise.

## Network company plans

We are commenting on the business plans of the following companies, where we have thousands of members:

* National Grid
* Scottish Power Energy Networks
* Scottish & Southern Energy Networks

## Confidentiality

Our response is not confidential.

## Summary of views and issues identified

We broadly welcome the following aspects of the network companies’ business plans:

* The increased investment and planned spending on the network across Great Britain.
* The continued focus each company is placing on Net Zero.
* The continued focus each company is placing on gender equality.
* The social impact of some aspects of the plans, including SSE’s creation of one thousand new houses for community benefit.
* The level of engagement between the companies as employers and us as the trade union representatives of their employees, with respect to the RIIO-T3 process.

However, we have concerns about how the companies are going to resource their business plans. The three companies propose to increase their total staffing level by a total of 5,486. Given the resource and staffing challenge that is being faced across the industry we are concerned about how the companies will deliver these numbers.

The increase in staffing should lead to the creation of long-term, safe and sustainable jobs which benefit the communities where the jobs are based. We have comprehensive collective bargaining arrangements in place at all three employers which help achieve this. However, we are concerned that the companies are becoming increasingly reliant on a ‘beggar thy neighbour’ personal contracting recruitment model. This model evades collective bargaining agreements, offering higher headline pay in return for degraded terms and conditions.

The higher headline pay offered in these contracts helps individual companies attract the skills they need in the short term, but it does so only by poaching already trained workers from other companies in the sector or in adjacent sectors. Recruitment done on this basis will not create the additional jobs that need to be created to achieve all of these business plans and to support broader efforts to decarbonise the UK economy. Amongst other things, the transition to a Net Zero is a massive skills challenge, which will require hundreds of thousands of new workers to train and to work in the UK energy sector, and there is no use in one specific part of the UK energy system successfully decarbonising if it does so at the expense of other parts of the system decarbonising.

Additionally, the degraded terms and conditions associated with personal contract working represent a major health and safety concern. We have found that the personal contracting is disproportionately utilised in the areas with the greatest health and safety risks.

We understand that the companies are delivering complex projects and some external contracting may be required. However, it is our view that outsourcing should be limited only to where it is absolutely necessary and not be used as a mechanism to evade the collective bargaining agreements that full-time employees of the companies are covered by. Similarly, the companies should not be allowed to use personal contractors as a mechanism to degrade terms and conditions. As part of their business plans the companies should commit to all newly created roles being covered by existing collective bargaining arrangements, to help ensure equality amongst staff (i.e. to prevent a two-tier employment model developing) and to guarantee safety standards. Growth in staff numbers should be achieved by the companies drawing people into the sector with a good all-round offer on pay, pensions and benefits, as negotiated through collective bargaining mechanisms. Recruitment models based on poaching from the existing pool of trained workers on personal contracts will benefit no-one in the long run.

In summary, if the electricity network companies are to attract the thousands of new staff they plan on recruiting, then the jobs and they offer must be good jobs, and the companies themselves must have confidence that they will be able to hold on to the workers that they train. The proliferation of the personal contracting model and the evasion of collective bargaining agreements represents a threat to both of these things and thus threatens the investment and expansion plans for the sector at-large.

## Evidence and justification for the above issues identified

The issue explained above is informed by the views and experiences of Prospect members and representatives working at the three network companies.