

Severn Trent Unison Branch Secretary's report 2014/15

2014 has been a year of change for the Severn Trent and UNISON Severn Trent. The Branch office moving from Minworth Park Lane and opening at Birch Coppice Nr Tamworth at the STS building.

Tony Wray left in April 2014, ready for Liv Garfield to take over as the company CEO. Most of you will have met Liv over the past months and will agree there's a different feel around. Liv made a pledge to meet all the ST PLC employees in 2014. This I think she succeeded through her "meet Liv tours" and also sites visits all over the PLC. In May Andrew Johnson and I along with GMB Joint sec and their FTO got to meet with Liv to discuss partnership working. It would be true to say that it was a very positive meeting. Liv is keen to work with us and know if there are any problems we encounter.

The Branch this year as been represented nationally and regionally once again by many active stewards, it's great to get such a good response to all the work that's the stewards do outside normal work hours for the branch and its members.

The year started with a respectable 2.7% consolidated increase negotiated by the Joint Unions. The UNISON Ballot gave 90.5% in favour of acceptance.

The Annual results published in June showed that turnover had increased 2.2% and underlying PBIT increased by 4.0% to £518.6million. There was a further £602 million investment on operational improvements in 2013/14 to improve customer experience. The results showed some exceptional operational work by our members. Fewer sewer flooding incidents, Leakage target on track, serious pollution incidents down by 41%.

The balance sheet is still strong so there will be an increase of 6% in dividend this year, with a further increase of 5.6% next year for shareholders.

There are still 3 areas where more improvements are needed to improve serviceability,

- a) sewer blockages.
- b) Water quality at our water treatment sites,
- c) supply interruptions over 12hrs.

The annual results gave eligible employees.

2.35% of salary as Reward for Performance. (one off payment)

£474.00 of Shares in the Share incentive Plan

Conference for 2014 was in Brighton. The Branch sent Azad and Miranda to the National Water conference. An informative day and good debate over current issues in the industry.

National Delegates Conference. Delegates this year were Steve Pilkington and Pam Hinds. Steve wrote an in-depth report which as been shared. Visitors were Kevin Clarke and Alan Gray.

August 14 saw a change to the executive Structure. A new wholesale operations business, where a merger of the Water and Waste Water teams that will be led by

Simon Cocks. This is a big decision to bring together such a large number of our people into a single team.

Also a new Retail team, which will be led by Andy Smith, will look to manage the non-regulated parts of our business to defend and grow business in a competitive world. It will include our current Severn Trent Services businesses, the establishment of a new Retail for Non Households Water Services organization and our renewables business.

A new Chief Engineering team will be led by Martin Kane. This will span responsibility for the development and assurance of Technical Standards, the Quality assurance of all UK construction activity; R&D and Innovation for the Group and, above all, great Health and Safety performance across all aspects of our operations

A new role of Chief Customer Officer, Sarah Bentley will incorporate Customer Care, Transformation and IS into one focused team which will lead on making sure we deliver even better customer service, drive end to end transformation across the business, and bring our digital strategy to life.

To help us spend our money more effectively into the future, there is a new Group Commercial Director who will own procurement, transport, supply chain and contract management. Her name is Helen Miles; she is currently CFO UK Homeserve and was previously my CFO in Openreach.

The reasoning of the restructure is

- 1) Lacking clarity on Direction and priorities
- 2) Inability to make timely decisions.
- 3) Not enough promotable talent
- 4) Too many layers
- 5) Frequent organisations
- 6) Duplication of activities

These things are just some that were picked up by Liv on her extensive travels around all parts of Severn Trent.

The part on too many layers will slim down the Managers population and increase accountability and empower people to make decisions. Going forward in all functions there is now a 5 layer organisation from STEC to the front line.

A concern also was the support functions will the combining of Water and Waste on our support departments.

The Strategic Leaders were announced late August then the next layers (business leaders) mid November and the final announcement on roles by late December, Which is always a disappointing time for Christmas which us as a Union were concerned about.

Consultation started with Severn Trent with the A –D employees in mid October. This was held with the Company Forum TU team with full time officials also attending. Meetings were weekly and great value was added with the contributions from the team.

The initial concerns at the early meetings were:

- 1) Settle the organisation as quickly as possible.
- 2) Minimise Compulsory Redundancy where possible.

- 3) Communicate with members / teams
- 4) Exit terms.
- 5) Selection process
- 6) Support for our colleagues.

The stewards have been busy negotiating with the company since the announcements of the layer 4 & 5 announcements. Dealing with queries and appeals.

December also saw the Announcement that Simon Cocks the newly appointed Wholesale Director would be leaving Severn Trent in May 15. Simon is moving to take up the CEO role at Affinity Water. Affinity water is considerably smaller than Severn Trent with only 1000 staff in a Water only business.

Currently the teams are setting up new Business Forums and working in Partnership with the company on landing the new organisation.

Recruitment for the year has been steady with the membership number holding up well due to recent challenges. At a time where there is so much movement of staff it is a challenge to hold a good membership. But with good work done by Stewards on cases and recruitment we can say we're in a strong position to start 2015.

Now at the end of the restructuring process I would like to say a huge thanks to our active stewards who have not only represented us regionally but nationally. These are:

Alan Gray
Pam Hinds
Bev Mckenna
Tony Cortese
Steven Ramsey

Alan and Pam who have been on the WE&T for many years have been invited to the sector seminar for their work that as been carried out nationally.

Regards Paul Gibbons
Branch Secretary