**CWU – Industrial Action**

Thank you for your recent email regarding the industrial action taken by the CWU.  I wanted to take the opportunity to provide the context from BT Group’s perspective and address the points raised by your constituents.

The difference between us is about our 2022 pay award.  To guide our decisions for this pay review, our principles were: that we would award a consolidated pay rise, the best we could afford; that our least well-paid colleagues should receive the highest percentage awards; and that we should make these rises on the due date, so that colleagues received the money in their pocket as soon as possible.

This has not been straightforward in the current economic environment, and when we’re in the middle of once-in-a-generation investments to upgrade our broadband and mobile networks (essential both for the UK economy, the future success of our business and protecting jobs).  We have nonetheless awarded, on average, a 5% increase.  That increase was effective from 1 April and was fully consolidated.  It had a cash value of £1,500, so that it has a progressive effect and is worth up to 8% for those on the lowest salaries.  This was the biggest pay increase we have awarded in the last 20 years.

Your letter refers to BT Group’s earnings in the financial year 2021/22.  As you will appreciate, it’s critical for BT Group’s continued success to ensure our shareholders – who have invested £18bn in us – receive a reasonable return and that we’re profitable in order to fund investment into the future in our infrastructure.  At the moment, given the cost pressures on the business, including the importance of continuing to make annual deficit contributions into the BT Pension Scheme for our 280,000 current and former colleagues, we are having to borrow money to maintain necessary investment levels.

It is also important to note the approach we took on pay for our frontline colleagues during the pandemic.  In 2020, we awarded them a 1.5% pay rise and in 2021 we paid a special one-off bonus worth £1,500 (£1,000 in cash and £500 worth of BT Group shares).  Both of these awards were made at a time when the rest of the country was struggling with the pandemic, relying on the Government furlough scheme (which BT Group did not use) and many companies were laying off workers (we committed not to make any redundancies as a direct result of the pandemic).  In those years, we froze the pay of our managerial grade colleagues – again prioritising our lower paid colleagues who worked so hard to keep our customers and the country connected.

At this start of the year, we were in exhaustive discussions with the CWU that lasted for two months, trying hard to reach an agreement on pay.  As we discussed with the CWU during these negotiations, this is the best pay award we could make.  When it was apparent that there was no prospect of reconciling our respective positions, rather than further extend negotiations and delay a pay rise, we implemented the award in April.

We were obviously disappointed by the decision to strike, but we respect the choice of our BT and Openreach colleagues who are CWU members.  We worked hard to minimise any disruption for our customers and we kept the country connected during the two recent days of industrial action.

Our partnership with the CWU is important.  We encourage open and transparent dialogue between us on all matters of importance relating to our people.  Whilst it’s not appropriate to now re-open negotiations on a pay award that we have already implemented, we want a constructive relationship with the CWU and we have reaffirmed our willingness to discuss how we move forward from here.

I would finally like to address the point raised regarding foodbanks.  Some colleagues have set up donation collection points at several offices to pass on donations to local foodbanks.  In addition, at our North Tyneside office, following an idea from frontline colleagues, a small collection of household items is available for colleagues’ convenience, for example at the end of the day when they’re in a rush to get home or who are working outside of the canteen opening hours.  Colleagues then replace the items at a later date or they make a contribution to a Paypal account that they’ve set up; this self-serve pantry for colleagues should not be confused with a foodbank.  We’re proud of the proactive and generous actions our colleagues take to support each other.  We are also proud of their efforts to support their local communities with foodbanks but the two things are entirely separate.

I hope this is helpful.

Kind regards

Richard

**Richard Wainer**

**Policy and Public Affairs Director, Networks**

**BT Group**