

## Dear Colleague,

Over the past few years, the level of BT Retail customer service operations work undertaken in remote sourcing centres outside of the UK has been rising. Additionally the proportion of work being undertaken in BT's UK operations centres by permanent BT employees has been falling and the amount of work undertaken by agency employees and people on fixed term contracts has been rising.

Intense competition in the telecommunications market has also seen a decline in BT's customer base.

Such developments have made CWU members anxious and concerned and increasingly insecure about what will happen in the future.

Over the past 18 months the CWU Executive Committee has been involved in lengthy and difficult negotiations with the company seeking to reach an agreement which restricts the transfer of work to centres offshore and which increases the proportion of jobs undertaken by permanent employees in BT's UK operations.

I can report that agreement has now been reached between BT and CWU which:

- Identifies those workstreams that the Company has agreed will remain in BT's UK operations centres and which will not be outsourced
- provides for a significant increase in the proportion of jobs in BT's UK operations which will be undertaken by people on permanent BT contracts

Under the terms of the agreement by far the majority of BT Retail's CS activities will be excluded from any consideration for outsourcing, for example core on-line 15X sales, service, billing, repair, 999, outbound and inbound sales and core off-line e.g. Nuisance Call Bureau complaints will be excluded, other than on a contingency basis. Core on-line OA and DQ work will also remain in BT centres although a percentage of DQ work e.g. data cleanse, phonebooks data enhancement, will be outsourced.

Some work will be outsourced for example a proportion of technical helpdesk activity (currently it is all outsourced) as will some non core work e.g. Red bill reminders, Broadband welcome calls and some tactical Sales campaigns.

Full details are set out in the agreement. This is a significant collective agreement as, unlike in many other companies in the UK, it commits the company to keeping the significant majority of its workstreams in its UK sites.

### Permanent Jobs in the UK

Currently in BT Retail, in the workstreams covered by CWU represented grades, 59% of the employees are on permanent BT contracts and 41% are employed on predominantly Agency contracts and some on fixed term contracts.

The Agreement commits BT to moving to a resource profile, in a staged process over the next 15 months, of 90% of employees on permanent BT contracts, 5% on Agency contracts and 5% on Fixed Term Contracts. Based on BT's best information at the current time this will result in approximately 1900 FTE contracts being offered over that period and BT will commence with the recruitment of 600 people in the quarter July to September 2006.

The target date for the completion of the conversion from 59% to 90% permanent employees is September 2007 with a guaranteed completion by December 2007. Permanent recruitment opportunities will be available across all of the CS centres, including Thurso.

### New Contracts of Employment

As part of the Agreement to increase the level of permanent employees a new Foundation, Core & Specialist pay/skill structure, under the terms of the NewGrid grading structure which currently applies to all CWU represented grades, will be introduced.

On-line call handling activities following the 'First Contact Resolution' (FCR) programme have been identified as belonging to either 'Foundation', 'Core' or 'Specialist' with salary maxima of:

- |              |                    |
|--------------|--------------------|
| • Foundation | • £15,500 (A band) |
| • Core       | • £18,800 (B band) |
| • Specialist | • £23,405 (C band) |

Other NewGrid terms and conditions currently enjoyed by existing employees will apply to newly recruited staff.

### Existing BT Contract People

There will be no change in the pay and terms and conditions of employment for existing employees on a BT contract within BT Retail.

### A2 CCC Interim Pay Scale

For those individuals who are currently on the A2 CCC interim pay scale, they will be mapped on the 'Foundation' pay scale.

### Fixed Term Contracts (FTCs)

The utilisation of FTCs will provide a level of security for individuals employed on them and the Agreement guarantees that no individual will be employed on a FTC for more than 12 months. In the event of this maximum timescale being transgressed the individual will be deemed to be a permanent employee. The pay rate for an FTC will be the appropriate Foundation, Core or Specialist rate.

### Business Sales

Whilst 'Business Sales' roles are not included in the FCR Foundation, Core and Specialist structure, BT Retail is currently undertaking a Sales Capability Review. Without prejudice to the outcome of the review, and to allow for inclusion in the move to a higher proportion of permanent jobs, the agreement provides for recruitment to a salary range, in accordance with NewGRID principles, that has a pay maximum of £19,445 per annum. The prevailing bonus arrangements will continue to operate.

### Service Management

The ex-PSU Service Management organisation retained in Customer Service is not included in the FCR job mapping exercise, i.e. Customer Provision Management (ex-GPSU), Business Provision Management (ex-IPSU), Advanced Diagnostics, Business Movers/Specialist.

### Management Style

As part of the discussions, the CWU made direct representations regarding the management style issues within CS that are of major concern to CWU members.

With CWU agreement, a programme of six one day workshops was held across the UK, involving Centre and Team Managers, Advisors and local CWU activists. The initial feedback from those who attended the workshops indicated that 98% of the participants found the workshops to be of value. Utilising the outputs from the workshops, we are currently working with the Company to develop an action plan to improve management style. More information will be provided on the conclusion of these discussions.

The Company has confirmed that there will be full visibility on progress in delivering the action plan for all CS Advisors on the new CS 'Management Style' website.

This has been an exceptional and protracted set of negotiations, but it has resulted in an agreement which the CWU Executive believes secures significant permanent job opportunities; maintains the retention of jobs in BT's UK CS sites; and protects the current terms and conditions of our members currently employed by BT Retail.

The detailed Agreement will be available for members to view on the CWU website ([www.cwu.org](http://www.cwu.org)) and you will shortly be invited to attend a CWU meeting in your locality to receive a detailed report on the Agreement. I do hope you will take the opportunity to attend. You are also able to ask questions by e-mailing them to [questions@cwu.org](mailto:questions@cwu.org).

Yours sincerely



**Jeannie Drake**  
Deputy General Secretary  
(T&FS)

