BT staff prepare to strike despite best pay deal in 20 years

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<u>T</u> boss <u>Philip Jansen</u> today expressed his "sadness and disappointment" as <u>unions</u> head out on a two-day <u>strike</u> that starts tomorrow.

The company today returned to revenue growth for the first time in five years, something the <u>City</u> was watching closely, with a 1% rise to £5.1 billion in the first quarter.

But it has been unable to reach accord with 40,000 staff who are members of the Communication Workers Union over pay. They strike tomorrow and Monday amid fears of rolling national strikes across many industries.

All BT staff got a £1500 pay rise last April, worth 5% a year on average and more than that to the lowest paid.

Jansen told the Standard: "I respect their views. But we have offered the biggest pay rise for 20 years. I think it is fair and affordable, it compares really well with almost any company. It compares well with the public sector, with doctors and nurses. I think it is really sad, I'm disappointed."

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This is the first BT strike since 1987. The <u>CWU</u> says its staff kept the nation connected during the pandemic and deserve better. It says nothing less than a 10% rise will do.

Profits at BT fell 10% to £482 million for the period suggesting the company is struggling with inflation effects alongside the 83,000 UK staff.

Jansen told the Standard: "We are preparing for a very uncertain time. There is no question that inflation is imbedded. We are seeing it across our whole network, we see it everywhere, maybe it is here for longer than we'd like."

When Covid hit BT made an early pledge that no staff would lose their job during the pandemic.

Jansen said of his team: "I'm with them, I want to do more. But I can't please all the people all the time."

City analysts worry that longer strikes will impede the rollout of ultra fast broadband, something BT has made a priority under Jansen.

Openreach's full fibre network is now in 8 million homes and businesses across the UK. BT plans to increase the annual build from 2.6 million premises last year to around 3.5 million this year.

Albie Amankona at analysts Third Bridge said: "All eyes are on the BT strike tomorrow as inflation sparks a nationwide wave of industrial action for higher pay. Our experts say that inflating labour costs may force BT Group to slow down their full fiber network build."

BT shares fell 10p, 6%, to 166p today.

The company reinstated its dividend recently. It has 670,000 retail shareholders.

Jansen was paid £3.5 million last year.

CWU General Secretary Dave Ward said: "BT Group are now gaslighting our members.

"Announcing hundreds of millions of pounds in profit on the eve of the first national strike since 1987 smacks of arrogance and complete contempt for frontline workers.

"BT workers have hundreds of picket lines arranged across the UK tomorrow, and will support the CWU in delivering mass strike action."