

GMB GIVE NOTICE OF OFFICIAL STRIKE BALLOT AT BRITISH GAS OVER ATTACKS ON JOBS AND TERMS AND CONDITIONS OF EMPLOYMENT

95% of GMB members say yes in consultative vote to an official ballot for industrial action against macho management in British Gas

GMB will serve notice this week of an official strike ballot for 8,000 members at British and Scottish Gas over attacks on jobs and terms and conditions of employment. 95% of GMB members at British and Scottish Gas have already voted, in a consultative ballot, for a formal ballot for industrial action against macho management in the company. (See Note 3). A full report of the dispute in British Gas will be considered by the Central Executive Council in London on 16 February.

Below is an email on sackings from Phil Bentley, the top manager at British Gas which GMB released last week. This responded to a company statement which replied to a GMB release asking the company to come clean on thousands of possible job losses in the Company. See Note 1 for GMB statement and Note 2 for the company denial. GMB fear that job losses will impact on sites at Stockport, Edinburgh, Uddingston near Glasgow, Leicester, Leeds, Cardiff, Oldbury in West Midlands and Southampton.

"E mail From Phil Bentley

The big, hairy, audacious goal I've thrown down in One British Gas (OBG) is to reduce our non customer facing Full Time Equivalent by 25%; whether its Marketing, finance or HR or whether its in Staines or the P&Ls, whether its British Gas Business, British Gas Services (BGS) or British Gas Retail, I'm committed to taking a one off axe to the overheads that have been build up over the years, and so I'm expecting plans to deliver this. All these functions play enormously important strategic roles, but we simply cannot afford these costs anymore and I am not prepared for them to be simply be passed to customers so that we become uncompetitive in prices. The formation of OBG gives us the one off air cover to do this this year and to take a one off restructuring charge.

I recognize that under your leadership you have transformed our Information Services (IS) capability. I also acknowledge the increased IS and technology investment we need to deliver our OBG vision. However, I would like you to consider how we would achieve this in IS, following absorption of Group and BGS. It may also be time to shift some dead wood where it makes sense.

Can IS deliver it's share of the targets for OBG? What would we need to forgo? Is this too much to cut? I don't know. But I do know that if anyone has an idea how to do this it's you. Our consultants, OC&C are available if you want some heavy lifting doing. I'd certainly use them to look at org structures and where they might provide a challenge.

So that's the challenge and the reason for the meeting. I know it won't be easy. Many thanks Phil"

Gary Smith, GMB National Secretary for Energy said **“The feedback from GMB members is that they have simply had enough of the pressure being heaped upon them, and they are prepared to fight the coming attack that Phil Bentley is undoubtedly preparing on conditions of employment and working practices.**

There is no doubt Phil Bentley will now try to present himself as reasonable and sympathetic to engineers concerns. The fact is he has set out an aggressive agenda around flexibility, productivity and performance management. Our members are starting to understand that there is a threat to the terms and conditions of employment that we have fought for over many years.

Senior management are in denial about the real mood amongst employees. We are currently agreeing the ballot timetable and process. Members will be kept advised of developments. We will serve the official notice of the ballot to the company this week.

There is still time for the company to come to their senses and sit down and try and agree a way forward. GMB have put forward a very reasonable set of demands to try and move the dispute forward but frankly we think Mr. Bentley is hell bent on conflict with his employees. If Phil Bentley is not stopped, he poses a threat not only to our members but to the reputation of British and Scottish Gas.”

End

Contact: Gary Smith, GMB National Secretary on 07710 618909 or GMB Press Office 07921 289880 or 07974 251 823

Notes to Editors

1 This is the text of a statement released by GMB on 14 January 2010

Gary Smith, GMB National Secretary for energy, the main union in the gas industry, said “GMB has good reasons to believe that British Gas is planning to axe up to 5,000 jobs in its operations across the UK. Union members believe the cuts being planned are massive.

GMB has seen internal company correspondence which talks about cutting 25% of non customer facing employees. GMB understands that customer facing employees are also likely to see large cuts in job numbers. The total number of job cuts is likely to run into up to 5,000 with sites being earmarked for closure. The job losses will impact on sites at Stockport, Edinburgh, Uddingston near Glasgow, Leicester, Leeds, Cardiff, Oldbury in West Midlands and Southampton.

The job losses in the pipeline we believe far exceed those that were expected as a result of the restructuring arising from the creation of One British Gas. One British Gas is the business being created by bringing together of British Gas Energy, British Gas Services and British Gas Business. This process was always likely to generate efficiencies.

GMB has not had a straight response on the question of job cuts when the issue was raised with Phil Bentley, the head of One British Gas. GMB is demanding that the company come clean and start talking honestly now about their plans.

The staff are working flat out in what looks like the busiest period the company has ever had. Contact centres have been open until 4am in the morning. Engineers and the staff have been performing heroics to try and keep customers warm. Our fear is that once the busy period is over the axe will fall"

2 This is the British Gas statement of 14th January "This claim by the GMB is untrue. While we did remove around 300 non customer-facing roles last year, we also announced the creation of more than 4,000 new roles - including engineers and smart energy experts who will lead the roll-out of smart meters and energy efficiency measures. Just this week we briefed the GMB on our plans for growth as a business. It is very disappointing that the GMB has now seen fit to tell the media, incorrectly, that we have plans to make major redundancies, as this will cause concern among our people who are all working flat out to keep our customers homes warm and lit during this cold snap."

3 this is the edited text of a press release issued on 25th January 2010- see gmb website for full release

GMB members employed by British Gas across the UK have made it clear in a recent survey that they expect the union to respond to what they see as a new bullying management culture in the company led by new boss Phil Bentley. This comes hard on the heels of internal documents seen by union representatives that the company is looking to cut up to 5,000 jobs and that this may involve the company shutting down operations at some locations

Thousands of frontline British gas workers based at Glasgow, Edinburgh, Manchester, Birmingham, Cardiff, Leicester and Southampton, employed as Technical Engineers, Installation Engineers, Service Fitters and support staff have returned questionnaires as part of a GMB survey into members' opinions and employee morale. The survey was an initiative from British gas GMB representatives, who were concerned at the way British gas employees were being treated by senior management.

The GMB survey shows that British Gas employees are feeling under a huge amount of unnecessary pressure and are angry and alienated as a result of poor planning and bad management. These frontline British gas workers, who have worked flat out in the coldest winter in decades, are fed up with the mixed messages and competing demands from a management who say that they want to provide great customer service but at the same time are always seeking to cut costs.

In a damning indictment of senior management in the company union members responding to the GMB survey say by a margin of eight to one that there is a "bullying management culture" in the company and that they expect the union to respond to this.

The findings are in stark contrast to those of the company's own Employee Engagement surveys. British Gas has made great play of the fact that their own

surveys suggest that employees are "engaged" and that as a result British Gas is a great place to work. Many British Gas workers have criticized the Employee Engagement process as not accurately reflecting the mood of employees.

Paul Kenny GMB General Secretary said "The company has their head in the sand in terms of the deterioration in industrial relations at British and Scottish Gas. The company needs to face the fact that there is growing macho management culture in British Gas driven right from the top. GMB members know that Phil Bentley the senior manager does not like challenge and this is being fed through the company.

If this bullying management culture is not addressed morale will continue to plummet and it will undermine customer service. The mood is explosive and members have made it clear that they want a response from the union on this."