

Gavin Patterson
Chief Executive Officer
BT Group
BT Centre, 81 Newgate Street
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CC: BT Board

November 2018

Dear Gavin

I am writing as a BT employee to express my shock and dismay at the company's decision to outsource its facilities services to private contractors CBRE and ISS.

I understand that this will affect over 1,700 BT Facilities Services employees who will be transferred (TUPE'd) out to the new employers.

Given the poor track record of outsourcing companies on labour standards, this is likely to have a serious long term impact on the terms and conditions of employment of staff in scope.

It also risks reputational harm to BT and a reduction in the quality of facilities services provided to the company due to the low cost operating models and questionable business practices common to the outsourcing sector.

ISS has a long history of exploiting workers, attacking pay and conditions, and cutting costs which has led to frequent industrial disputes and stories of poor practice, inflicting serious damage on a number of organisations and brands.

More broadly, weaknesses have been exposed with the whole outsourcing model following the collapse of Carillion. Many other outsourcing firms have been underbidding for public sector contracts in recent years, effectively overstretching themselves financially to win new work. This has raised fundamental questions about the credibility and future sustainability

of outsourcing in general. If ISS or CBRE were to fail, this would leave BT in a potentially costly and damaging situation.

It is now critical that the objectives set out by the CWU are met in full if BT is to demonstrate this is not a cost cutting exercise and that the interests of staff are to be properly protected. This includes commitments on job security, contractual hours, payment of the Real Living Wage as a minimum, trade union recognition and pension contributions.

Yours sincerely,