



connect

the union for professionals
in communications

Annual Report 2003

Deadlines for Conference business

Propositions and amendments to any part of this Annual Report, including the BT Sectional Conference must be in the hands of the General Secretary by **first post (9.30am) on Friday, 2 May 2003.**

Contents

	Page
A Introduction	3
Conference workshops	3
2002-2003 Executive Council	3
Other committees	4
The union's objectives	4
B Structure and administration of the union	5
Subscriptions	5
Union's rules	6
Proposal to move to biennial conferences and biennial elections	6
Connect website	6
Join online	
C Membership, recruitment and organisation	7
Membership	7
Recruitment	7
Union organisation	8
D Membership benefits	9
The union's benefits	11
Provident benefits	12
Union diary	12
E Union training and development	12
New training and development role	12
Training courses for activists	12
Professional training	13
F Campaigns and communications	13
Campaign priorities 2002-03	14
All Party Parliamentary Group on Telecommunications	14
Political Fund Re-ballot Campaign	15
Campaigns	15
Web-based communications	16
G Union policy	17
Structure of the industry	17
Regulation of the industry	18
Pensions	19
Equal opportunities	20
Health, safety and the environment	21
H International	22
Telecoms	22
Information and communication technology	23
Professional and Managerial Staff	23
Other unions	23
War in Iraq	23
I The union's resources	23
Changes in 2002	23
Finance	24
Detailed changes in expenditure	25
2003 Expenditure	26
J Affiliations	26
TUC General Secretary election	27
Action Taken 2002-03	27
Glossary	27

A Introduction

1 The following report of the Executive Council will be presented to the Fourth Annual Conference of Connect, which will be held at Portsmouth University from 16-19 June 2003 with the BT Sectional Conference commencing at 1.00pm on Monday 16 June and concluding at 1.00pm Tuesday 17 June. Annual Conference will then start at 4.00pm on Tuesday 17 June and close at 2.00pm on Thursday 19 June.

2 Conference workshops This year we propose workshops on the following:

- **Pensions Policy** Will the government's Green Paper 'Simplicity, security and choice: working and saving for retirement' provide a way forward?
- **Campaigning for Union Recognition** Bringing the benefits of collective bargaining to employees throughout the telecoms industry.
- **Developments in Employment Law** How can the recent changes in employment law benefit our members and what changes do we need?

3 In the past the Executive Council's Annual Report has included sections giving details of industrial relations issues arising in many of the companies where the union has recognition and/or pursues industrial relations issues on behalf of individuals or groups of members.

4 In line with the union's policy of devolving industrial relations issues it is no longer appropriate to report in such detail now that industrial relations are handled by the branches and networks in the companies themselves. These branches and networks are accountable to the members concerned rather than directly to the Executive Council and Conference. Of course, it remains open for branches and networks represented at Annual Conference to table business relating to their companies but in doing so it should be understood that the issue is being tabled in order that it can be escalated from the branch or network relating to a specific company to the Executive Council. Consequently this year this report to Annual Conference focuses on key strategic issues, emphasising the Executive Council's policies for taking the union forward. A separate report on the work of the BT Committee will be considered by the BT Sectional Conference and will be provided to all branches with members working in BT.

5 Change continued to be a defining feature of Connect's work over the last year. The union's membership grew by a further 1.5 per cent and it was able to secure membership in new companies, most significantly T-Mobile, which is reported in more detail in C7. However, the last 12 months has witnessed the most severe recession ever in the telecoms industry. Consequently the union has not been able to generate sufficient income to cover its costs. More details about the union's finances are reported in I11-26.

6 The union is now devoting dedicated resources to campaigns and communications and to increasing the quantity and quality of training and development for members. Following the election of the General Secretary Designate during 2002, a new structure was implemented at Head Office. This structure was designed to ensure that the membership would continue to receive the best possible service, with organising remaining at the heart of the union's work, whilst providing the union with the ability to raise its profile and campaign effectively on the issues of concern to members.

2002-2003 Executive Council

7 Denise McGuire (President), Denis Alabaster, Heather Allen, Pauline Arthur, Billy Collie, Alan Greenwood, Jim Halliday, Bryan Mensforth, Geoff Potter, Jennifer Schofield, John Ward.

8 In October 2002 Bryan Mensforth tendered his resignation from the Council. It was agreed not to fill the vacancy pending the next Council election, which will take place in June and July 2003.

9 Executive Council structure The Council adopted a team-based approach to dealing with much of their business. The number and composition of the teams is kept under review but at the time of this report the following arrangements were in place:

Policy	A Greenwood, J Ward, H Allen
Parliamentary, TUC & other unions liaison	D McGuire, H Allen, P Arthur, G Potter, J Ward, J Schofield
Equal Opportunities	J Schofield, H Allen, P Arthur, A Greenwood, G Potter
International	J Ward, P Arthur, D McGuire, J Schofield
Health Safety & Environment	G Potter, D Alabaster, B Collie
Training & Development	D Alabaster, J Ward, G Potter, B Collie, J Halliday
Publicity/Profile/PR	D McGuire, H Allen
Membership Benefits	J Halliday, D Alabaster, J Ward
Conference	H Allen, P Arthur, B Collie, J Halliday, D McGuire
Recruitment	B Collie, D Alabaster

In addition to these teams, the following Standing Committees also undertake work on behalf of the Council:

10 General Purposes Committee This Committee deals with the union's finances and its role as an employer and deals with emergencies. GPC members for the year were Denise McGuire, Alan Greenwood and Jennifer Schofield.

11 BT Committee This Committee of the Council handles all major negotiating and consultation issues in BT. The membership of the BT Committee is given in paragraph 1 of the BT Sectional Conference 2003 Report.

Other committees

12 Trustees The Trustees, serving under Rule 15, were Pauline Arthur, John Simkins and John Ward. It should be noted that, as the Trustees are administrators of the union's finances in line with policy decisions made by the Council, references back to any such policy should be directed against the appropriate paragraph(s) of the Council's Report and not against the Trustees' Report nor against the Financial Statement. Questions may be asked on the Financial Statement in advance of Conference.

13 Conference Business Committee Dawn Crane, Niall Gillespie, Barry Smith and Dik Thacker were elected by 2002 Conference as the Conference Business Committee. The CBC will carry out the responsibilities outlined in Rule 9 on behalf of Annual Conference including the BT Sectional Conference.

14 The union's objectives The Executive Council continued the process of developing and implementing a set of objectives. At its meeting in July 2002 the Council gave detailed consideration to the policies adopted at 2002 Annual Conference and the strategic imperatives of the union and adopted the following year plan. Some of these are built on the 2001-02 objectives:

- Still more rigour in the budgeting process, adopting a cost/benefit analysis approach
- Build and deliver a balanced budget in 2003
- Pilot a 'win back' campaign
- Run a trial 'member-get-member' campaign with a range of incentives
- Ensure use of local and national negotiations as an opportunity to recruit and organise

- Continue to develop the 'getting on' portfolio and secure a development partnership agreement with an employer
- Identify, develop and value new (plus existing) local representatives by using the networks and applying best practice
- Run a pilot project to identify key levers and costs of increasing local union activity and capture and share best practice
- Set up a network of Learning Representatives (seek Union Learning Fund money to do so)
- Investigate development of a Youth Network
- Proposals to 2003 Conference to move to two-yearly Conference and EC elections
- Maintain existing Investors in People status and develop a two-year plan to extend IIP Connect-wide, including activists
- Developing the eunion as an interactive, democratic source of information, campaigning and communication by:-
 - e-polling
 - investigating email alerts, online chat rooms and SMS messaging
 - setting up an online activists' resource centre and online application forms
 - circulating urls and measuring hits
- Exploit opportunities to develop relationships with new employers

15 Much has been achieved in meeting these objectives and details are reported under the appropriate headings. However, as a consequence of the recession in the industry it was not possible to meet the very stretching target for membership recruitment, and consequently the subscription income was below budget. Steps are being taken to maximise the income and control costs wherever possible, with the aim of returning to a financial surplus in 2004.

16 Honorary Associates The Executive Council has continued to maintain friendly relations with all the Honorary Associates, who at 31 December 2002 were : Les Baker, John Brookes, Charlie Bruce, Ralph Bunnage, Archie Clark, Kenneth Glynn, John Jordan, Bernie Lipman, Celia Palfrey, Ernie Smith, Terry Stevens, Bert Thomas, Frank Whitehead and Tom Wilkinson.

B Structure and administration of the union

1 Subscriptions Subscription rates, updated after last year's Conference, can be found on the union's website.

2 Union's Rules The Rules, which were altered at last year's Annual Conference, were incorporated in a revised Rule Book and posted on the union's website.

3 Elections In line with regulations covering the election of the General Secretary, Adrian Askew was elected as General Secretary in 2003. The scrutineer's report was reproduced in the June 2002 issue of the *Review*.

4 The regulations governing elections for President and Executive Council in 2003 were issued to branches in March 2003 and reproduced in the *Review*, March 2003.

Proposal to move to biennial conferences and biennial elections

5 Changes in the union's democratic processes, such as the introduction of a BT Sectional Conference and the devolution of occupational issues to the BT Committee and relevant Industrial Relations networks and branches, mean that changes to Annual Conference need to be considered. The Executive Council therefore proposes that Connect moves to biennial conferences and biennial elections. These proposals are based on those issued to branches and networks at the forum held in London on 29 January 2003. A revised proposal taking account of the points raised at the consultative forum was outlined in Branch Circular 16/03.

6 The Executive Council proposes that Conference be held in odd numbered years; thus the first Biennial Conference would be held in 2005. Sectional conferences, initially involving just the BT membership, would be held prior to or after the close of the Biennial Conference and alternative event.

7 As a consequence, the Executive Council proposes the introduction of a Biennial Report from the Executive Council covering their stewardship of the union. The resulting report would concentrate on key areas and would lead to more focused, forward looking debates.

8 Conference provides delegates with an opportunity to network and exchange ideas or information as well as giving them the chance just to be with like-minded people. The need for members to get together and the value in this for both activists and the union is recognised. Therefore, the Executive Council proposes to hold an alternative event in the intervening years called the Connect Forum. The forum would be held over two days in even numbered years. Thus the first forum would be held in 2004. Each forum would be based on a theme and made up of a mixture of sessions such as workshops, seminars, guest speakers and training.

9 Representation to the forum would be limited to 300 participants:

- Four representatives from each branch. Branches would be encouraged to consider bringing new representatives to the forum. New representative means a member who has recently attended Connect, Trades Union Congress or General Federation of Trade Unions training or a member who has not previously attended Conference.
- The Network Chairperson plus two active members of the network.

10 Given the proposed move to Biennial Conference it seems sensible to tie the election process to Conference timing. Thus the Executive Council proposes that the biennial election of the Executive Council takes place immediately after the Biennial Conference with the election for President taking place before the Biennial Conference.

11 The Executive Council will table a series of propositions to alter the Rules to this year's Conference to give effect to these proposals.

12 Connect website The new website was launched in August 2002. The site is a key communication tool between the union and members, branches and activists and is an information resource for the union as a whole. Because it is linked to the membership system, the site engine recognises key characteristics of the user and presents information accordingly. The site will not remain static, as it will be continuously developed to enhance and improve its functionality. A further report on the content of the site appears in F23-4.

13 Join online On 1 November 2002, Connect became the first union in Britain to introduce online membership application and direct debit processes. Potential members are now able to join the union by completing an application form on the open section of the website or over the telephone, or by filling in an application in the normal way. The online application process has proved to be highly successful with 100 new members joining online within the first month of its launch.

C Membership, recruitment and organisation

1 Membership At 31 December 2002, membership stood at 19,061. This represented a small but significant increase over the year against a background of severe recession.

Membership			
	31.12.2001	31.12.2002	Change
Male	15,422 (82.1)	15,546 (81.6)	124 (0.8%)
Female	3,363 (17.9)	3,515 (18.9)	152 (4.5%)
Total	18,785	19,061	+276 (1.5%)

2 Monitoring In the light of the Stephen Lawrence Report, in 2000 the union began to monitor membership, conference delegations and Executive Council candidates in the context of gender, race and disability criteria. For 2002 the results were:-

	Membership	Delegates	EC candidates
Gender (per cent)			
Male	82	80	69
Female	18	20	31
Percentage known	100	100	100
Race (per cent)			
Asian/oriental	3	1	-
Black	2	3	-
White	95	95	100
Percentage known	40	100	100
Disability (per cent)			
Yes	-	15	15
No	-	85	85
Percentage known	0.01%	100	100

NB The union's membership data on race is only held for around 40 per cent of members. Connect is encouraging members to update their records to get a more complete picture. Disability membership data is inadequate, with only nine members on the union's system registered as having a disability. The Executive Council is working to improve this.

3 Recruitment During 2002, 2,314 new members joined Connect, an average of 193 per month. This is slightly down from the 2001 monthly average (209), but slightly above that achieved in 2000 (185). Membership has now been growing for four years. In fact, more than a third of the current membership has joined the union since 1 January 2000.

4 The union continues to operate a project management approach to recruitment, whereby distinct target groups - based within companies, branches, grades or functions - constitute individual projects. Each project has a recruitment target and is managed by an Organising Team or Executive Council member who works with the relevant local branches to build membership and organisation. Performance across the projects is monitored by the Executive Council through its Recruitment Portfolio Team.

5 Recruitment materials Last year the design of all recruitment leaflets and materials was updated. A full range of recruitment materials and web-based recruitment advice is available.

6 Union organisation Beyond these individual recruitment projects, representatives and vibrant local organisation are the crucial ingredient to boost recruitment, retention and the union's effectiveness in negotiations. Representatives, branches and networks are provided with information and guidance, either directly or through the website - and the new Activists' Resource Centre will extend this capability (see F29). Identifying, supporting and developing new representatives is a priority and Executive Council members are working with regional networks to renew specific branches where organisation is at a low level. A database of the union's activists has been developed. This includes those who have attended training courses and members who have expressed an interest in getting more involved, which will support our branch renewal work.

7 BT collective representation campaigns Following the pay freeze imposed on its personal contract employees by BT, the union's Sales and PCG Networks, unanimously backed by Conference, launched campaigns for collective representation in June 2002. Task groups bring network representatives together with the union's professional resources to manage the recognition campaigns strategically. They have co-ordinated extensive programmes of promotional and organising activity, including a members' conference call, a campaign road show of meetings across BT, specific web resources and a campaign pack for representatives. Connect's campaign has achieved record levels of membership growth amongst Professional Sales Grades, Personal Contract Group and Professional and Technical Grades in 2002, and has built up a high level of awareness amongst non-members. Most significantly, the union's work persuaded BT to announce that there will be a 2003 pay review for these grades. The task groups are focussing on how to build on this momentum to achieve the union's goal of majority membership. That will mean that the union can secure recognition using the provisions of the Employment Relations Act if necessary, although reaching a voluntary agreement remains the preferred option. All options are kept under review. Membership continues to grow most rapidly amongst PSGs and recruitment efforts are now being targeted on specific groups of PSG non-members where contact rate is lowest, such as home-workers.

8 T-Mobile campaign for recognition At the beginning of 2002 Connect launched a joint organising campaign with the Communication Workers Union, under the banner Unions in T-Mobile. This campaign has produced a series of significant achievements:

- a four-fold increase in membership during 2002;
- election of a union member as the T-Mobile (UK) employee representative onto the Special Negotiating Body which will set up a new Deutsche Telekom European Works Council;
- a statutory application for joint recognition amongst regional groups of operational staff in November 2002.

This last has led to T Mobile entering into formal discussions with Connect and the CWU over a process for reaching a voluntary recognition agreement to cover a much wider national bargaining unit. These discussions on voluntary recognition are continuing; rapid membership growth is progressing and an informal representatives' network has emerged. This network is closely involved in all aspects of the organising and recognition campaign.

9 'Greenfield' sites The union has continued to narrow the focus of 'greenfield' recruitment efforts (companies where there is no union presence) in order to concentrate the resources of the union's Organising Team on building membership and organisation towards the thresholds required to secure recognition in effective bargaining units. This reflects both the high level of resources required and the need to target them in the most productive way. Specifically, the goal is to develop networks of members to build membership and organisation 'on the inside'. The right to be represented by the union in disciplinary and grievance cases, whether or not an employer recognises the union, means that organising in greenfield areas continues to involve individual representation. These greenfield priorities are continuously reviewed, both to ensure the union takes advantage of strategic opportunities presented by change in the industry, and to ensure that organising resources are focused as effectively as possible.

10 Vodafone Connect's organising campaign in Vodafone doubled membership in 2002, significantly enhancing the profile of the union amongst employees. The union provided formal representation to numerous members with enough success for the company to improve its personnel policies and procedures. This company remains a strategic target for recognition.

11 Inmarsat Although new membership in Inmarsat in 2002 was four times that in 2001 and the union has continued to represent Inmarsat members individually, it has not been possible to establish a constructive relationship with the company. Connect's organising objectives are currently being reviewed with the branch committee.

12 Retention The volatility in the industry highlights the need to maximise membership retention. The professional support that can now be provided to job changers through Opus² careers counselling has been a crucial tool in the union's retention efforts. Connect continues to encourage branches and networks to raise the profile of the full range of job changer services and support so that members who leave their current employer for another in the communications sector retain their membership. This is especially important where the union becomes aware of impending redundancies in a particular company. The union is piloting a 'win back' campaign based on telephoning ex-members. Initial results are positive, as the campaign has generated interest among ex-members, but it is too early to measure its effectiveness.

D Membership benefits

1 The union's benefits Connect provides a vast array of services and benefits to members. Not only does Connect support members in the workplace, it also provides services such as:

- Opus², the union's recruitment consultancy
- Opus² Careers Advice Service, which offers careers advice designed to help members develop a career plan, or to improve their chances of getting the job they want, or a chance to talk through particular issues they have
- Free legal assistance for any work-related problem
- Free legal assistance for injury to members or dependants
- Free legal Helpline so that members can speak directly to an expert on any legal matter
- Free independent financial advice to enable members to consider how to plan their finances and retirement
- Mortgages, loans, house insurance, car insurance from Membership Services Direct
- Travel club with all year round savings on holidays plus discounts on car hire, travel insurance, airport parking
- Discount shopping scheme offering discounts of up to 10 per cent from a variety of high street stores
- Union credit card at competitive rates
- Savings on gas and electricity bills through Union Energy, a company set up by the TUC to provide cheaper power for trade union members
- Fixed fee tax return service
- A death gratuity
- Twenty four hour personal accident and injury cover which provides payments if members suffer serious injury or disability from an accident
- Income support during sickness where members are eligible for a monthly payment of up to £400 when pay is reduced to half or less

2 These benefits are kept under constant review to ensure that the union provides members with a competitive and comprehensive service. Connect continues to investigate new services of interest to members and is looking at ways to increase the profile of benefits to members through the website and the *Review*.

3 Legal assistance The union continues to provide a range of valuable legal services to members. During 2002 its lawyers, Russell Jones and Walker, opened 120 new cases for members, 13 more than in 2001. Eighty three cases were for personal injury and 31 related to employment. The average amount for damages received for personal injury in 2002 was £25,000. This compares very well with an average of £7,787 (TUC Legal Trends Survey Jan 2002).

4 Connect Legal Helpline This service offers members free access to legal advice on non-work-related matters. It is available six days a week during normal working hours. Over 1,500 enquiries were handled during 2002.

5 Russell Jones and Walker use an independent monitoring system to measure client satisfaction. Results for 2002 showed that 67 per cent of Connect members were 'very satisfied' with their services. The remainder, 33 per cent, were 'fairly satisfied'. There were no negative results.

6 Collective conditional fee arrangements Following legislative changes in 1999, collective conditional fee arrangements are now the method by which trade unions fund their legal work in relation to personal injury. This is based on a form of insurance managed by the lawyers designed to limit the union's exposure to major legal costs. However, some forms of injury, in particular stress at work, RSI (Work-Related Upper Limb Disorder) and cases of clinical negligence, are excluded from these arrangements because they represent such a high risk. All such cases are difficult to predict and very costly to pursue. In the absence of any insurance cover, the union has to take steps to protect itself from the potentially very large costs that unsuccessful cases could entail. The Executive Council therefore proposes the following changes:

- that the union no longer provides legal assistance for clinical negligence. Although often serious for the individual, unfortunately the union has to recognise that seeking compensation for clinical negligence is not part of Connect's core work, which is about protecting members at work.
- that in respect of RSI and stress at work cases, a membership qualification period of four years would normally apply. The Executive Council would have discretion to waive this condition where appropriate; for example, where the member concerned would not have been able to meet it due to length of service. However, the qualification period is based on the principle that it is right that a member should have belonged to the union for some time before Connect incurs significant legal costs for a problem that would have taken some time to develop.

These proposals are similar to those being considered by other unions in the light of the implications of conditional fee arrangements and are being put forward in order to avoid potential risks to Connect's funds from very high legal costs.

7 Employment Tribunals Due both to growth in membership in non-recognised companies and the rights to representation conferred by the Employment Relations Act 1999, the number of employment-related cases is steadily growing. It follows that legal costs are also on the increase. In 2001 costs to the union were £45,000. In 2002 this increased to £54,000. Connect is not proposing to reduce in any way the legal assistance service provided, but has introduced an administrative protocol to ensure that members do not incur unnecessary legal costs directly, by excessive or unreasonable demands on the union's lawyers.

8 Opus² 2002 was a difficult year for Opus². The recession in the telecoms industry meant that very few jobs – either permanent or short-term contract – were available. However, the union continues to try to build relationships with employers and to find work for members who need it.

9 Opus² Careers Advice Service The Careers Advice Service has continued to be successful. During the year the Service provided advice to over 100 people, either individually or via the corporate agreement with O₂. Opus² Careers Advice Service was one of the first organisations to achieve the Matrix Quality award for the provision of information, advice and guidance. The service was launched in the autumn to members of Prospect, a union that represents over 100,000 managers and professionals in the private and public sectors. It is planned to continue to build, develop and

market the service to Connect members, other trade unions or similar organisations and to companies with which the union deals.

10 Tax service In 2002 Connect introduced a new service to members, a fixed fee tax return service. This service, provided through the Tax Watchdog, is available at a competitive rate exclusive to Connect members, and also covers self-employed members.

11 Membership Services Direct The union continues to provide a range of benefits in partnership with Membership Services Direct. In 2002, this resulted in income of £30,000 for the union, and MSD also spent £40,000 on advertising in the *Review*. The contract with MSD expires at the end of 2003, so the union will be inviting tenders for this work shortly.

Provident benefits

12 The union is undertaking better value comparisons in all areas of its work. As part of this review all the benefits provided by the union have been examined. It is clear that Connect has a tradition of providing good benefits, but this is only part of the union's work. Against a background of finite resources and an operating deficit in 2002 of £232,000 the union's overall agenda cannot be progressed unless resources are refocused. The Executive Council, therefore, proposes a number of changes to the union's existing provident benefits: death benefit, Personal Accident And Injury Scheme (PAIS) and sickness scheme. These proposals are based on those issued to branches and networks inviting feedback in Branch Circular 17/03.

13 Death benefit Connect currently provides a payment of £1,620 on confirmation of a member's death. The union seeks to pay as quickly as possible – generally by posting a cheque to the nominated beneficiary on the day of notification. Connect's current level of death benefit is exceptionally high by comparison with other trade unions. Given the need to re-focus the union's resources, the Executive Council proposes that the death benefit be reduced from its current level to £1,000 with effect from 1 January 2004.

14 Personal Accident and Injury Scheme (PAIS) Usage of the PAIS has significantly decreased over the last three years. In most cases members who sustain an injury are able to use Connect's Personal Injury service to sue a third party for compensation. There are very few instances where there is no third party to sue so that the PAIS scheme has to be utilised – just four in 2002. While utilisation of the PAIS is low, the cost has not necessarily decreased.

15 Given that this service appears to be no longer meeting the needs of members, the Executive Council proposes that the scheme be discontinued from 1 January 2004. The union will, however, still cover union representatives for the time they are attending Conference and travelling to and from Conference.

16 Sickness scheme Connect currently provides a sickness benefit of £400 per month for a period of up to 12 months if a member's pay is reduced to half or less as a result of an illness. Very few unions provide sickness cover for their members. In comparison with those unions that do provide a sickness benefit, Connect's scheme is very generous. It is also very costly and would, if it remains unchanged, consume more than one month's worth of the union's entire subscription income.

17 Connect's sickness scheme currently has neither exclusion clauses nor qualifying periods. The only qualification is that an individual must be a member of the union before they go onto sick leave. However, the union believes that in a small number of cases people may have joined the union specifically in order to gain access to this scheme. These are likely to be people who were aware of the union but chose not to join until they needed the sickness scheme.

18 It is for this reason that the Executive Council is proposing to introduce a nine-month membership qualifying period for the sickness scheme and as this is an insured scheme, there would be no discretion to waive this qualifying period. This policy is in line with many other unions which have introduced qualifying periods of between three to 12 months for access to specific services. Currently the sickness scheme is payable for a maximum of 12 months. This can translate, in some cases, to a member being on sick leave for a period of 18 months. Most people neither believe they will be nor want to be on sick leave for this length of time.

19 While Connect is working with employers to address the issues surrounding long-term illnesses, this will take some time. Fortunately the majority of members accessing the sickness scheme do not utilise it for the maximum period. In fact, members draw on the sickness scheme for a period of, on average, four months. Given the above issues and the need to refocus our resources, the Executive Council proposes that the maximum period of cover for the sickness scheme be reduced to six months. This would significantly reduce the costs, but not impact adversely on the majority of members who need to claim the benefit.

20 The union's diary 2004 The Executive Council has decided, as part of the union's plan to eliminate the financial deficit, to discontinue the diaries which were previously issued free to branches.

E Union training and development

1 New training and development role As reported in I5, the Executive Council agreed that a new role, Training and Development Manager, be created to bring together all aspects of training and development within the union. This is the first time that training at every level within the union is being dealt with as a dedicated role.

2 Training courses for activists The union continued to run four accredited courses in 2002:-

- Handling Cases in BT
- Handling Cases in Companies where the Union is Not Recognised
- Influencing and Negotiating Skills Part I
- Influencing and Negotiating Skills Part II

Connect continued to offer a half-day course to new representatives and people thinking of becoming active. These were delivered at locations that were easy to attend, including members' workplaces. The course which was originally called Getting Active has now been retitled Getting Connected.

3 Training in 2003 The Executive Council has agreed that in future the union's training should be more targeted to ensure that participants and Connect get full value from them. Therefore, the union will run the four accredited courses for those representatives and Industrial Relations Committee members identified by the Council, National Officers and Organising Team as needed.

4 General Federation of Trade Unions The GFTU continues to administer core courses on behalf of Connect. The GFTU course brochure has been circulated throughout the union to allow representatives access to a wide range of courses.

5 New course for 2003 The union plans to pilot a new course, 'Building Influence', in June in conjunction with the Organising Team. It is designed to help new and current representatives build union profile, membership and organisation.

6 Employment Relations Act 1999 Once the associated regulations are issued, a series of one-day refresher sessions for our case handlers in non-recognised companies will be organised. It is planned to invite a visiting speaker from the TUC to a meeting of the Case Handling in BT Network (see also E7 below) to update participants on the latest developments.

7 Mentoring training A list of Case Handlers in BT has been compiled for use by the Help Desk and National Offices in allocating cases. A mentor from the Case Handling in BT Network has been allocated to all those who are new to taking cases or who are willing to do so, following training. In March 2003 training was provided for members of the Case Handling Network who were willing to act as mentors. In future, everyone taking the Handling Cases in BT course will be allocated a mentor immediately after the course to help them with cases until they feel confident enough to deal with them alone. A system has been put in place to enable monitoring on how both the case and mentoring loads are spread throughout the union's membership in BT.

8 Getting Connected - your guide to getting involved in your union

In March 2003, this guide was launched and will be available in the Activists' Resource Centre on the website. This booklet will be available to everyone attending future Getting Connected courses and on request from Head Office.

9 Professional training The union continued to offer both the BSc in Computing in conjunction with the Communications Workers' Union and the Queen Mary University of London and the Certificate in Frontline Management through WayAhead Training. In addition, in 2002, WayAhead Training linked up with Provek, a well-established service provider, to offer accredited training in project management.

F Campaigns and communications

1 Introduction The Campaigns and Communications Unit (CCU) was established in October 2002 to extend and co-ordinate the union's work. It brought together the existing work on the *Review* and Parliamentary affairs, with the addition of a new editorial oversight for web-based communications, a pro-active approach to strategic campaigns and a responsibility for co-ordination and involvement in campaigns run on industrial relations issues.

Campaign priorities 2002-03

2 The first few months have been extremely busy, not least because of Connect's high-profile involvement in the Communications Bill, the programme of work associated with the Political Fund campaign and the development of web-based communications. The union is also involved in a wide range of campaigns. These range from member-centred work on T-Mobile recognition, the BT PSG and PCG campaigns and the BT restructure review to issue-based work on e-democracy and Corporate Social Responsibility.

3 The campaigning and media calendar is largely driven by events, requiring the CCU to analyse potential wins for the union creatively. Since Annual Conference 2002 the union's over-riding priority had to be winning the Political Fund Re-ballot. Without the Fund, Connect would not have been able to continue much of the campaigning work of the union and certainly would not be able to expand its influence. Another time-critical issue was the Communications Bill, which went through Parliament and into committee stage extremely quickly in mid-December 2002. Because the passage of the Bill was much quicker than usual, the CCU and other areas of the union had to focus on this work to the exclusion of other projects.

4 Profile The CCU is targeting specific ways to raise the union's profile effectively, using local MPs in recognition campaigns and by being active in wider trade union debate. The Executive Council takes the view that the union should develop its profile strategically in pursuit of its overall aims and objectives and as a specialist union, Connect should be realistic about its ambitions. Press interest is always issue-based and Connect needs to be aware when projects it is developing will improve the chances of media coverage. This approach means that the union is increasingly being seen as an industry-wide union with informed views. This is a solid foundation at this stage.

5 Political liaison A key challenge for Connect is to develop and maintain political links that can assist the influence of the union. This last year has seen a development of this agenda with the Communications Bill and Green Paper on Pensions.

6 Communications Bill The second reading of the Communications Bill in December provided a clear opportunity for the union to play a useful role on behalf of members. The appointments of John Robertson MP and Parmjit Dhanda MP to the Bill's Standing Committee is a reflection of the quality of their work in raising the issues about the communications industry and shows that they have quickly gained parliamentary reputations as experts in this area. As Connect members, both MPs looked to the union for information on how the Bill should be amended. (See G4-6).

7 Pensions Green Paper The Green Paper provides a focus for a central concern in the union's negotiating agenda and an area of crucial importance to all Connect members, see G21. In addition to equipping Connect member MPs with questions and amendments, the union can have a direct voice in influencing the government on the direction of this work. The union's views on the Green Paper were submitted formally into the consultation process and the General Secretary Designate met Pensions Minister Ian McCartney MP to discuss the Bill. This was reported in the *Review*, February 2003.

8 General Parliamentary liaison work Following the workshops held at the union's 2002 Annual Conference, John Robertson MP, Chris Mole MP and Parmjit Dhanda MP have attended receptions and meetings of Connect members both at the House of Commons and at Ipswich. They have participated in on-line Q&As with members and invited questions and input from members directly. The union will continue to develop these areas to ensure that members get every opportunity to directly influence the work of these decision-makers.

9 Connect's reputation has also encouraged other Ministers to approach the union. Alan Johnson MP, Minister for Employment Relations, offered the union an interview where he discussed recognition rights, the new laws on flexible working and edemocracy. This featured in the March issue of the *Review*.

All Party Parliamentary Group on Telecommunications

10 Membership of the APPG is continuing to grow and the three main political parties continue to be represented in the Officers of the group: John Robertson, MP, chairs the group and Parmjit Dhanda MP is Secretary. Sir George Young, who is a Conservative MP, is the Treasurer and Nigel Jones, Liberal Democrat, is the Vice-Chair.

11 Adrian Askew, General Secretary Designate and Jeannie Drake, Deputy General Secretary, (Telecoms) for the Communications Workers Union, addressed a meeting of MPs in December 2002 to discuss the importance of developing Broadband Britain. The February meeting of the APPG coincided with the third reading of the Communications Bill. A wider audience was invited to this meeting to include employers from across the industry and Connect's Senior Managers' Branch members. The meeting was titled 'The Communications Bill: Where to from here?' The speakers were Stephen Timms MP, Minister of State for e-commerce and Lord Currie, Chairman of Ofcom.

12 Work in Europe The union is seeking to develop a similar method to the APPG model for working in the European Parliament. Connect is working closely with Mel Read MEP and telecoms specialist, to develop an e-based network of interested parties to debate and keep in touch with developments in the industry. This project is still in its early stages and will be less formal than the APPG. It will build on the union's reputation for raising issues of importance to the global telecoms industry at EU level.

Political Fund Re-ballot Campaign

13 The campaign, which was launched at Annual Conference 2002, was necessary because of legal constraints which mean that the union has to re-ballot members every 10 years. The campaign was issue-based and very open about how the union maximises political relationships for the benefit of members. Members were updated on this issue via the *Review*, Branch Circulars, News Circulars, direct emails and a leaflet directly mailed to home addresses. A section was established in Connect Campaigns on the union's website to answer members' questions and provide information.

14 The campaign attracted wider interest because Connect is the first of a large group of unions to re-ballot on the Political Fund. The union also campaigned with the government and through the TUC for the abolition of this bureaucratic diversion; it is unlikely that this expensive and resource-hungry exercise will be necessary in 10 years time. The union also lobbied for e-balloting to be recognised as an alternative to an all-postal ballot.

15 The result was announced on 28 February 2003. Eighty one per cent of members voting were in support of keeping the Political Fund. Thirty eight per cent of members participated in the ballot. This was publicised to members immediately via News Circular 19/03 and on the website. An Early Day Motion was tabled in the House of Commons, noting the success of the ballot, but commenting that while members can choose to opt out of paying into the Fund, the law should be updated to remove the need for these 10 yearly ballots. Now that the political fund has been secured, the Executive Council will be deploying the fund in support of many of the union's campaigns, particularly relating to pensions legislation regulation of the telecoms industry. In addition, the fund will be used to support the work of the APPG. Regular updates on the deployment of the fund are carried on the union's website.

Campaigns

16 The CCU's involvement varies depending on the campaign. Essentially, there are three types of campaigning work with which the CCU has so far been involved:

- Industrial campaigns
- Issue-based campaigns
- Recognition campaigns

17 Broadband Britain The union has continued to raise the profile and potential of this technology, underlining the importance of it because success for broadband mirrors success for the industry. This message has been promoted to the media and through the APPG. The CCU has produced interviews and stories in the *Review* focusing on the issue and interviewing members whose job it is to deliver broadband. This campaign has been conducted jointly with the CWU and the General Secretary Designate, Adrian Askew, spoke on the issue at TUC Congress in 2002.

18 E-democracy This issue was raised initially at Annual Conference 2002 with a Unions 21 fringe meeting, which discussed how the union could develop itself in this way. It also examined how technology can expand and develop communities and assist in regeneration projects. The campaign has also raised the issue of legislative barriers which directly hamper the work of the union, for example, lack of provision for workplace electronic voting in recognition ballots or Political Fund re-ballots. Connect joined other unions in eday, co-ordinated by the TUC in January 2003. The union e-mailed Employment Relations Minister Alan Johnson on the subject. On the same day, the *Review* Editor had an exclusive interview with him, outlining the union's views on the issue. The Minister's

response was posted on the union's website and reported in the March issue of the *Review*. This very varied campaign will continue and develop over the next year.

19 Corporate Social Responsibility This campaign will develop during the year. It forms part of the union's aim to reflect and participate in wider society and to hold accountable the companies which employ Connect members. The union has begun looking at pension fund investments and expects to develop this work later in the year.

20 WORKTIMEyourtime This campaign is a very important one for the union and it will shortly be relaunched. Connect surveys still reveal that members are working very long hours and finding it difficult to achieve good work/life balance. With new flexible working rights being introduced by the Employment Act in April 2003, it's essential that members are aware of their rights and how to enforce them. This campaign is both issue-based and central to the negotiating work of the union and will be co-ordinated accordingly.

21 The Review The *Review* is published 10 times a year. Each issue is now 24 pages. The two larger issues previously published at Christmas and after Annual Conference have been slimmed down due to budgetary constraints. The arrangements for print and design remain fit for purpose and are being subjected to 'best value' tenders during 2003 in line with other parts of the union. As part of this process the Executive Council will be considering whether to publish the *Review* eight times a year from 2004, as web-based communications can provide members with immediate news more effectively.

Web-based communications

22 website The union's database-driven website was launched at the end of August last year. It is larger than its predecessor and provides members with the ability to update their own membership records in a secure environment. It also provides some information tailored for groups of members and triggered by recognition of their membership record details. However, any website remains a work in progress and a number of specific issues have been addressed by the CCU and the union's technical support, with advice from a new Internet Users' Group.

23 The Internet Users' Group was established to gain informed feedback from our branches about members' views of our online communications. It has met twice and meets informally four times a year to discuss progress. Its members are Geoff Potter, Tom Machell, Jenni Hircock, Nikki Johnson and Nicky Timpson.

24 Branch Circulars One of the first issues which the User Group had to resolve was the need to increase the uptake of information to branches. Branch Circulars on the new website form part of a closed activists' area and this was restricting branches' capacity to communicate them easily on to their members. Branches were simply forwarding the circulars, which members were unable to access.

25 The union approached the problem with the aim of easing direct communication with members and as a result introduced a new branded email, known as a News Circular. This is a html-based email which contains the entire text of any information aimed directly at all members or a group of members. It is sent to branches for onward cascading and also appears on the open access news area of the website. The Executive Council envisages News Circulars being used as a major source of communication with members. News Circulars are also numbered to enable a formal record to be kept. Other news items continue to be posted on the website in the normal way and the system for Branch Circulars remains unchanged.

26 website logon As a result of discussions with the Internet Users' Group, the logon system is to be amended to allow members to choose their own username and password. Cookies, which retain such information on a user's computer, were rejected for security reasons.

27 The website front page The User Group also considered plans to extend the front page of the website and provide customised versions for different groups, including activists. Work is continuing on this within the constraints of a limited budget and with the aim of encouraging members to enter and browse the site. The new version will highlight news and campaigns so that members see these quickly, as well as providing access to the other areas of the site.

28 Activists' resource centre As part of the expansion in content on the site, the union is developing an Activists' Resource Centre, an area of the site available only to activists and the Executive Council, containing

- Training for activists
- Recruitment advice
- Agreements and policies
- Useful links (specialist websites)
- Access to Branch Circulars and other papers (currently 'Connect papers')

29 This site is being constructed as the information becomes available. It will also be connected to members' only areas giving generic FAQs on employment rights and training.

30 Quarterly membership-wide emails The union has issued the first of its short, branded emails, known as Connect Communications, to the whole membership. These will be sent at regular quarterly intervals to ensure that members who have little contact other than the *Review* receive more information. The emails will raise the union's profile with members, enable Connect to publicise issues and services and hopefully aid retention.

31 On-line MP Q&A session This was tried for the first time in February 2003. Only a small number of members were able to log onto the session, partly due to the firewalls in BT and Yell. However, the members who were able to participate found it interesting and a useful way of communicating directly with MPs. The Connect MPs who were involved are keen to run more sessions. The success of this will depend on resolving the firewall problem with partner companies.

G Union policy

Structure of the industry

1 Introduction Information about developments in the industry appears on the union's website and in the *Review*.

2 Circulation of information It has continued to be a difficult year for the communications industry although it is beginning to be apparent that the better placed companies are beginning to emerge from difficulties since the burst of the telecoms 'bubble'. The union continued to publish *Communications Week*, a weekly digest of news and events in the international industry. Towards the end of 2003, this was replaced by a monthly digest, named similarly. *Communications Month* has a wide circulation among opinion-formers in the national and international communications industry, including trade unions, politicians and policy-makers and is also available on the website. Connect has also continued to publish a monthly Newsletter, a summary of events in central and eastern Europe, on behalf of Union Network International, the global union grouping. All these publications are designed to produce information on industry regulation, company strategy, corporate policy responses and social policy initiatives, and to illustrate, in many cases, the similarity of the issues faced by trade unions in conditions of globalisation.

Regulation of the industry

3 Introduction Connect's work in this area has been informed by Proposition 12 (*Investment in telecoms infrastructure*) passed at the 2002 Annual Conference, asking the Executive Council to use its influence to seek to reverse the decline in employment and employment opportunities in telecoms. The prime focus of Connect's work during the year has been the Communications Bill and the union has actively supported the Communications Workers' Union's Demand Broadband campaign.

4 Communications Bill The government finally published its Communications Bill, which is intended to facilitate the process of convergence between broadcasting and entertainment, media and telecoms infrastructure. Connect has supported Ofcom, the single regulator for the industry, as a means of minimising the confusion caused by regulatory duplication and has also supported, in the interests of consumers, a light-touch approach to regulation arising from the union's analysis of experiences of regulation in telecoms. The union focused on its concerns about the Bill in its response to consultation and published articles about this in the *Review*.

5 Prior to and following the publication of the Bill, Connect has worked closely with other unions in the communications industry, and with the Campaign for Press and Broadcasting Freedom, to which it is affiliated, to harmonise lobbying activities. As a result of this liaison work, Connect has focused on two policies in particular, improving the public accountability of Ofcom and the issue of seeing employees as stakeholders in the industry. In the latter case, this has led to the union promoting a statutory training requirement for the communications industry, intended to support investment and career opportunities, analogous to the statutory training requirement which already exists for employees in broadcasting.

6 The union has briefed senior Trades Union Congress officials on this. Connect has also worked closely with MPs who have taken up amendments drafted by the union on various aspects of both these issues as the Bill has progressed through Parliament. The Bill has also featured in meetings of the All Party Parliamentary Group of MPs and with separate approaches to various members of the House of Lords.

7 Broadband This is an aspect of the telecoms infrastructure informed by the aims of Proposition 12 (*Investment in telecoms infrastructure*) and fundamental to the development of the UK as a centre for advanced communications. Connect believes that broadband is crucial to the future success of the telecoms industry. However, at least at the start of the year there was still much work needed in order to raise the profile and understanding of broadband and to create demand so that the various companies involved with the roll-out of broadband invest in it. Nevertheless, practical applications of broadband access got seriously under way during the year after the false policy starts of local loop unbundling during 2001, and subscriber access is now growing strongly.

8 Connect has actively promoted broadband access, working jointly with the CWU on its Demand Broadband campaign which is intended to raise awareness and encourage demand for broadband. The Executive Council was briefed by the CWU about its campaign and information was sent to members and activists in Branch Circular 86/02, which explained how people could become involved.

9 The union promoted its aims in this area by putting down a supportive amendment to the CWU's otherwise comprehensive motion on broadband at the 2002 TUC Congress. Connect's motion pointed out that investment in broadband infrastructure would be seriously hampered by any moves to break up BT, as the largest company in the industry and the only one able to make a serious and meaningful investment in the technology in the interests of the country as a whole. The motion, which also *de facto* supported the union's 'One BT' policy, was supported by Congress delegates. The case for broadband has also been made via the All Party Parliamentary Group of MPs and on other platforms shared with the CWU.

10 The union's response to the Communications Bill recommended that Ofcom should have particular statutory objectives set down for it related to the promotion of broadband access. This also featured in amendments to the legislation drafted by the union and subsequently taken up by MPs as the Bill progressed through Parliament.

11 General Agreement on Trade in Services The union has also monitored the progress of GATS during the year, as this may have implications for telecoms regulation. General Secretary Simon Petch attended a meeting in November at the TUC on the Department of Trade and Industry's document on 'Liberalising trade in services', and Connect will be keeping a watchful eye on the consultation as it develops.

Pensions

12 Introduction The policy priorities during the past year in this vital area have been to take forward the aims of the following business passed at the 2002 Connect conference:

- Proposition 19 (*Final salary pensions*) expressing concern at employers' attempts to end final salary schemes and committing the Executive Council to a particular course of action
- Proposition 45 (*Pensions*) setting policy as discussed at the pensions workshop.

13 The Executive Council has also considered Proposition 20 (*Increases for occupational pensions*) which sought a campaign for schemes to be uprated by the greater of average earnings or RPI, but which was remitted. At the same time, the union has sought to respond to government consultation documents and to work with other organisations within the policy framework set by conference.

14 Defined benefit schemes The protection of DB schemes continues to be a primary concern of the union and the Executive Council will take all steps necessary to protect members' access to such schemes, within the parameters of Proposition 19. In the meantime, the union has continued to raise the benefits of defined benefit (final salary) schemes over defined contribution (money purchase) ones, in a number of fora including the TUC and in the *Review*. The union aims to ensure that publicity makes attacks on DB schemes more difficult to mount and to sustain.

15 Defined contribution schemes The union must also enhance the terms of defined contribution schemes which cover members. The Executive Council has negotiated substantial improvements to the Accenture DC scheme and also submitted a claim to BT for improvements in the funding of the BT Retirement Plan sufficient to enable the BTRP to provide pensions, on today's actuarial assumptions, that would be broadly comparable with the benefits provided by Section C of the BTPS (see BT Sectional Conference 2003 Report, 28 and 29).

16 TUC The union submitted a motion on pensions to the annual TUC Congress, which drew attention to the continuing drift away from final salary provision, on the grounds of employers wishing to save money and to avoid their responsibilities as social partners. It also highlighted the massive gap between what is required to provide a reasonable income in retirement and the amount actually being saved. To help remedy the situation, Connect called, in a motion that was composited with several others from other unions and supported overwhelmingly by Congress delegates, for compulsory employer contributions to occupational pension schemes and for pension scheme membership to be allowed once again to be a condition of employment.

17 The union has promoted within the TUC the belief that annual increases in defined benefit schemes should be based on increases in average earnings rather than in inflation. This is an important way of protecting the link with national income of working people in retirement, and thus of preserving their living standards.

18 Connect has continued to work with the TUC on its pensions campaigns, as well as with the TUC's group of union pensions specialists.

19 Communications with members Pensions featured as the cover story in the July/August 2002 edition of the *Review* and there has been a series of articles on pensions topics, to explain the subject and reinforce the need to ensure that their retirement savings are sufficient for a decent standard of living in retirement.

20 Political liaison Connect has briefed John Robertson MP, who takes a close interest in pensions and speaks on it regularly with our support.

21 Pensions Green Paper The Green Paper, 'Simplicity, security and choice: Working and saving for retirement', which was published at the end of 2002, provided many ideas to consider. One idea was including compulsory membership for occupational schemes and the government has already established a task force on this, including union representation. Despite being generally accepted as a disappointment, and containing some clear gaps, the Green Paper nevertheless offered some interesting and welcome proposals, not least because it recognised that decent occupational provision is central to improving financial security in retirement.

22 Age discrimination and retirement The union has been working with a team of academic researchers from Edinburgh University who are interested in age discrimination. Connect asked questions on age and retirement policy in the 2002 BT Personal Contractors Survey and the results were given to the Edinburgh University research team as well as informing the development of Connect's own approach. The attention paid in the Green Paper on pensions reform to ensuring that occupational pension rules do not discourage flexible retirement, and the specific encouragement for the notion that employees should still be able to work whilst drawing an occupational pension from the same employer, was one aspect that the union particularly welcomed. The union is aware of age discrimination legislation coming in 2006 and continues to work with the government and the TUC on some of the more complex issues, particularly related to retirement ages.

23 Flexible working Connect's regular surveys of BT members provide the union with information about how flexible working initiatives are used by members. This information has also highlighted equal opportunities issues which the union needs to take into account both when dealing with BT as an employer and when responding to the government's Pensions Green Paper provisions on flexible retirement.

24 Section A The long-running Section A redundancy terms case has at last been concluded. The High Court has finally determined that Connect's interpretation of the issue was correct. The result is that some 5,500 ex-BT employees are having their redundancy terms retrospectively revisited. Not all will benefit financially but a sizeable group (perhaps 2-3,000) will do so, to the tune of about £150,000,000 between them. This retrospective exercise is immensely complex and will not be completed until summer 2003. Some of those people who have already benefited have made gifts to the union in recognition of its efforts in resolving the issue.

25 Caparo Steel The union publicised the appeal of the Iron and Steel Trades Confederation for support for its members in Caparo Steel to branches in Branch Circular 89/02. ISTC members were on strike to defend their final salary scheme against replacement with a money purchase arrangement. The union encouraged branches to publicise the strike to members and to organise local collections.

Equal opportunities

26 Securing equality of opportunity for all remains at the core of Connect's activities - whether in dealings with employers, campaigning with government or organising as a trade union.

27 It is important that the union is visible and consistent in its commitment to equality and diversity. This is done by carrying regular features in the *Review* and ensuring representatives are kept updated and trained on any relevant aspects of handling personal cases and wider developments. The

Executive Council is also working to ensure the route to becoming a representative and access to the union's training is open and inclusive.

28 The Executive Council will discuss with the Lesbian, Gay and Bisexual Network its future role in the light of developments within employers to set up their own LGB network. It is likely that the Connect LGB Network will need to focus more on key negotiations issues, though significant achievements have already been achieved in this area.

29 The TUC has instigated an Equality Audit for all affiliated unions. This involves an audit of the union's activities across employers, members, representative structures, training, legal representation and bargaining. Connect has responded and will be using the report to identify areas for further action.

30 Equal pay Identifying and eliminating equal pay gaps has been a key feature of the union's work for many years. Employers are now starting to recognise they may have gaps and Connect is working to ensure best practice is followed in all the companies with whom the union has recognition. Connect has been closely involved in the TUC's work on equal pay and a large number of representatives have now received accredited training as equal pay representatives. The Equal Opportunities Commission is also consulting on a revised Code of Practice on Equal Pay and Connect will be submitting comments on this.

31 Networks Connect has now established common interest networks for women, minority ethnic, disabled and lesbian, gay, bisexual or transgender people. Some networks are more active than others but the union remains committed to ensuring these have an effective voice. The Executive Council is working to ensure networks can evolve to undertake more membership support work, especially in dealing with personal cases.

32 Legislative changes Connect has been actively involved in campaigning for legislative change and commenting on proposals for change. Important issues include:

- **sexual orientation** Whilst the new legislation, due to come into force in December 2003, is a major step, it still permits employers to refuse basic same sex partner benefits in pension schemes where the same condition applies to unmarried, heterosexual partners. This is primarily an issue for the public sector. Connect was one of the first unions to secure the same sex partner pension rights in the 1980s and continues to work to secure this with all recognised employers.

- **religious discrimination** Legislation protecting individuals against discrimination on grounds of religion is due to come into force in December 2003.

- **age discrimination** The government is due to put forward further proposals for age discrimination legislation to come into force in 2006 following its initial round of consultation. This raises some challenging as well as positive issues and these have been covered in the *Review*.

33 Domestic violence Connect has continued to demonstrate its support for the Zero Tolerance campaign and will advise individual members affected. Connect has also worked with employers in highlighting this as a workplace issue.

Health, safety and the environment

34 Union Safety Representatives' Network The USR Network has now been set up across Connect. The Network acts as a useful sounding board and discussion forum for issues on health and safety. They receive regular briefings on issues from the TUC and Labour Research Department.

35 The union's priorities in the area of health, safety and the environment remain stress and driving.

36 Stress This remains a major health issue facing members at work. Connect's focus over the years has been aimed at working with employers and members on removing the sources of stress whilst also providing support and assistance for members who are suffering from work-related stress. This approach has driven our *WORKTIME,yourtime* campaign. The union has also focused on encouraging employers to develop risk assessment processes to identify and remove sources of stress.

37 Driving This remains a major safety hazard for many members at work. The union has highlighted the issues in the *Review*, including tiredness and the use of mobile phones and continues to seek ways of encouraging employers to take appropriate actions to minimise risks. This also ties into the union's environmental policy.

H International

1 The United Kingdom's communications industry has been dominated by the continuing worldwide major recession in the telecoms industry. The extent of the slump has meant that many of the newer telecoms companies were left in very great difficulties and there has been a continuing fall in employment worldwide at all levels in the industry.

2 In endeavouring to moderate the effect of this on members, the union continued to focus its work internationally through Union Network International, the global organisation for services which covers the telecoms industry. General Secretary, Simon Petch, represented the UK and Ireland on both the UNI World Executive and the World Telecoms Executive (and, as a consequence of this, on the UNI Europa Telecoms Steering Group). On his retirement he is to be replaced by Con Scanlon, General Secretary of the CWU (Ireland). Much of UNI's work is carried out at industrial and sector level. Therefore Connect's efforts have been concentrated on the World and European Telecoms Committees, on the Information, Communications and Technology Committee in Europe, and on both the World and European Professional and Managerial Staff Committees.

3 Telecoms Within the telecoms industry UNI has endeavoured to progress the work it has been carrying out over the last two years. It has two main objectives for the debate on regulation. First, its aim is to maintain basic labour rights by getting good, freely negotiated terms and conditions and jobs for its members worldwide. Secondly, UNI aims to get a wide definition of the Universal Service Obligation so that citizens have proper access, not just to existing telephone services, but to the new services of the information society. These objectives underline much of UNI's lobbying at governmental and international level and much of its organising work is to support the credibility of its role in arguing for these objectives. At the 2002 World Telecoms Committee meeting, the Committee re-emphasised the importance of concentrating on organising and setting realistic national targets. Much of this work will be concentrated in the mobile sector and the continuing campaign for the year was aimed particularly at Vodafone, Orange and TMobile. The extent of Connect's work in these companies is reported in C7 and C9. To assist this process UNI has provided a dedicated web page www.union-network.org/UNIsite/in_depth/organising/organising.html and up-to-date reports on progress in different countries so that the news of others' achievements may act as an incentive to those who are finding it hard to break through in a particular country.

4 At the European level, UNI has concentrated both on delivering the worldwide objectives in Europe and specifically on its relationships with the European Union. The European Social Dialogue Committee, where General Secretary Designate, Adrian Askew, represents professional and managerial staff, deals with the social dialogue in telecoms and is seeking to pursue these priorities, as well as issues such as the enlargement of the European Community which will have a direct relevance on telecoms unions, both within the existing community and in the applicant countries.

5 In January 2003 the European Commission supported a seminar in Portugal held jointly by UNI, the European Trade Union Congress and the European Metalworkers Federation to discuss mergers and acquisitions and the Acquired Rights directive. Connect was represented by National Officer, Steph

Marston, who gave a well-received presentation on the successful UNI campaign against the MCI WorldCom bid for Sprint.

6 Information and communication technology Philip O'Rawe, Development Belfast Branch, has continued to represent Connect on UNI's Information and Communication Technology Working Party. This working party has sought to develop UNI's work in this under-unionised area. It organised the UNI ICT Forum on 'Mobility in the European ICT sector' which concentrated on the issue of work permits and fast track visas, the European Commission's action plan on skills and mobility and the longstanding problems on the transferability of qualifications and certificates throughout the European Union. As a result of his active involvement in this area, Philip O'Rawe was invited by the TUC to become one of the union members of the Work Permits UK IT Communications and Electronics Sector Panel. This panel has now tightened up the procedures associated with the granting of work permits to reflect the changed market position in the UK. UNI has continued to support the growth of the IT Fora in India and in May the General Secretary visited Hyderabad and Bangalore as part of a UNI delegation. The IT Fora continue to grow both in membership and influence.

7 Professional and Managerial Staff The first European P&MS Conference was held in Brussels in March 2003 in conjunction with a seminar on the 'Employability and Adaptability of P&MS Staff'. Simon Petch retired as Chair of the European Committee at this meeting. The seminar is likely to form the basis of the work of the Committee over the next two years. The annual meeting of the P&MS World Committee will be held in November 2003.

8 Other unions Through its membership of UNI, Connect has come to work closely with several international unions who take a similar approach on certain issues and who are happy to share their experience, both in the telecoms industry and in representing professional and managerial staff. The union continues to liaise closely with the Communication Workers Union of America, particularly on organising issues, and welcomed the election of Larry Cohen, their Executive Vice-President, as President of the UNI World Telecoms Committee. In the second half of 2002 the UNI communications affiliates in Japan visited the UK. Connect, together with the Communications Workers Union and Amicus, hosted the visit. The Communication Workers Union (Ireland) continued to work closely with Connect on organisational problems associated with Vodafone, where they act as the secretariat for the virtual committee set up by UNI and with mmO₂ Ireland (formally Esat Digifone). Further visits to exchange information are planned later in the year.

9 Specifically at P&MS level, the two unions with which Connect has continued to maintain exchange of information are the Australian Professional Engineering Specialists and Managers Association and Svenska Industritjänstemannaförbundet from Sweden. Connect has discussed the particular challenges the current worldwide recession is creating for unions organising professionals with both these unions.

10 War in Iraq At the TUC Congress 2002, Connect supported the TUC General Council statement on Iraq, the text of which was circulated to branches in Branch Circular 5/03 and which called on the British government to work through the United Nations and with the explicit authority of the UN Security Council. The Executive Council supported the demonstration called on 15 February 2003 by the Stop the War Coalition. At the outbreak of war, Connect supported the TUC's further statement circulated to branches in Branch Circular 22/03.

I The union's resources

Changes in 2002

1 Following the election of Adrian Askew to the post of General Secretary, there have been changes to the structure of the union. These changes reflect the need to focus resources on building membership, developing the bargaining agenda and raising Connect's profile as a campaigning

union. While several individuals have changed roles, the actual number of employees remains the same.

2 Leslie Manasseh was appointed as Deputy General Secretary. His key roles are to co-ordinate the industrial relations and organising activities of the union as well as carrying out a number of other responsibilities, working with the new General Secretary. His previous post of Director of Organisation was lapsed. He was re-elected to the TUC General Council in September 2002. The Executive Council were very pleased to note that Leslie Manasseh was awarded an MBE in the New Year Honours 2003 for services to employment relations in the telecommunications sector.

3 Ben Marshall moved to a new role as Head of Industrial Relations. Ben co-ordinates the union's negotiating strategies across all the companies where it has collective representation. In addition he is the BT Account Manager with lead negotiating responsibility on a range of issues at BT Group level.

4 The Campaigns and Communications Unit was created and works to co-ordinate the union's internal and external communications liaising with government and opinion formers and runs the union's campaigning activities. Within this unit Jane McCarten was appointed as Editor and Publications Manager and Sarah Ward was appointed as Campaigns and Media Manager.

5 A new post of Training and Development Manager was created. Jackie Morgan was appointed to this position and is responsible for delivering the union's training and development of members, representatives and employees.

6 As part of the consequential vacancies arising from the above positions, Martin Furlong was appointed as Employment Relations Advisor and Ann Burrows was appointed as Executive Assistant to the General Secretary and Deputy General Secretary.

7 There have been several changes within the organising team. Joyce Lawton has moved into a new role as Organising Assistant. This move left an Assistant National Organiser vacancy and Tony Breen was appointed to this position. Jo Skinner returned from maternity leave at the end of 2002. Also Julia Brandreth, Lauren Godfrey and Mary Hurley were appointed as Senior Organisers with responsibility for running recognition campaigns and managing strategically large and complex projects.

8 Liz McCarten has the project management responsibility for the Opus² Careers Advice Service.

9 After 23 years with the union Blanche Bentman retired in July 2002. During her time with the union Blanche was involved in organising Conference, working with various committees and, as Office Manager, was responsible for the administration of the union.

10 Simon Petch will be retiring in May 2003, after 17 years as the union's General Secretary. Simon has led the union through massive changes in the industry and the largest voluntary redundancy programme by a UK employer in recent times. He has also successfully taken the union through a difficult process of restructuring, refocusing and change; paving the way for its role as a campaigning union.

Finance

11 The Executive Council reported to Conference in 2002 that it hoped to achieve 20,000 members by the end of that year, with a resulting subscription income of £245,000 per month. On this basis 2003 would have started with the finances in balance. Despite good membership recruitment, Connect lost members due to the recession and the union thus failed to achieve the increase in membership which had been planned. Consequently the union is forecasting a deficit of a little over £221,000 for the year 2003. The figures for 2002 show that expenditure, at £3,197,074, was a little under one per cent more than £3,167,383 for 2001. This compared to the forecast that expenditure would be two per cent higher, before allowing for inflation. The union therefore performed better than expected against a tight budget. Income increased from £2,788,355 in 2001 to £2,963,623 in 2002.

The resulting deficit of £233,451 was an improvement on the £379,028 figure for 2001. If, however, the distorting effect of the loss on the sale of investments which artificially deflated income in 2002 is removed, the improvement is really only about £30,000.

12 Financing the deficit The Executive Council had not expected to have to finance a deficit in 2003. Therefore the Council concluded that, with the likelihood of the deficit continuing for a further year at around the same level as in 2002, it would be prudent to arrange an overdraft facility sufficient to cover it and this has now been done with Unity Trust Bank, the union's principal banker.

13 Mortgage Unity Trust Bank has agreed to reduce the mortgage repayments from £16,304 per month to £10,000 per month. This will extend the term of the loan to December 2010 rather than June 2007. However, reduced mortgage repayments will mean that the union will be just over £75,000 a year cash flow positive, as a result. A one per cent reduction in the interest rate has also been agreed, reducing mortgage interest from an annual budget of £60,000 to £45,000.

14 The 2002 Accounts The accounts for 2002 will be published with the May issue of the *Review* following the precedent set last year. By only printing the accounts once the union is able to make a saving on the conference printing costs, as was done in 2002.

15 Subscription income Subscription income during 2002 was nearly £140,000 higher than in 2001, a similar level of increase to that obtained in the previous year. However, there was a contribution increase in the middle of the year, which meant that subscriptions for the second half of the year were higher than in the first half. Monthly contribution income increased from about £220,000 at the beginning of the year to £230,000 at the end of the year.

16 Unearned income Investment income fell from £27,506 to £18,265 as a result of the run down in the union's financial reserves. There was a small increase in rental income from £199,185 to £201,396.

17 Other income As was predicted last year, income from Membership Services Direct and Beneficial Bank returned to its standard level of around £35,000 and was thus £30,000 less than in 2001 while Opus² suffered considerably from the worldwide downturn in the communications industry and moved from a surplus of over £17,000 to a deficit of £23,000. A new Careers Advice Service showed a modest surplus of £7,267 in its first year of operation. There was a small fall in VAT recoverable from £18,365 to £14,335.

Detailed changes in expenditure

18 Conference meetings and committees The fall in this item is largely explained by the reduction of the costs of the Executive Council and its Committees from £47,212 to £35,915. This reflects the changed ways of working which the Council have adopted (see A4 and 9).

19 International The reduction is partially because of a fall in UNI affiliation, due to an overpayment in 2001 being compensated for by an underpayment in 2002. The falls in both UNI expenses and in other unions are one-offs which will not continue in 2003.

20 General organisation The reduction is largely due to Changing The Union as many of the things associated with that project have become business as usual. Connect campaigns have increased as the Executive Council expected, as have the general organisation costs associated with a more active union.

21 Organisation and recruitment This reduction is primarily due to the fact that the union did not have a trainee from the TUC Organising Academy in 2002 as all the organisers were directly on the union's payroll.

22 Office and administrative expenses Whilst there was an overall reduction in costs, there was a significant increase in the cost of publications, reflecting the costs of recruitment communications reported in last year's Annual Report. However, this was more than offset by falls in office accommodation costs, mortgage interest, the Connect website and systems administration.

23 There were three areas where expenditure increased during the course of the year. First, Professional Development and Training increased by over £10,000, primarily due to the increase in training provided by Connect, which reflects the union's commitment to ensuring that members and particularly representatives are better trained and equipped for the jobs they do for the union. Secondly, Provident Benefits increased from £265,418 to £294,222. In 2000 the cost was £206,216. This increase of 40-50 per cent over two years is clearly not sustainable and this subject will be considered by Conference (see D12). The final increase was in employee costs, which have risen by just over £100,000 in 2002 over 2001. This reflects both the salary increases during the year and the effects of the staffing changes referred to in I1-10.

24 2003 income The Executive Council is forecasting a conservative increase in membership during the course of 2003 because of the severity of the recession and its effect on Connect's membership growth. Indeed, the central forecast does not postulate reaching the 20,000 members which would be required by the end of the year. The central forecast is for a monthly membership subscription income of only £237,000 in December 2003. Although the year has started well, it is clear from previous years' experience that the union may not be able to grow as quickly as it would wish against such a difficult background.

2003 Expenditure

25 The Executive Council described the 2002 expenditure budget as being very tight; the union did remarkably well in undershooting it. Nonetheless, the 2003 budget is even tighter and there cannot be the same expectation. It is still the union's hope, however, that the budget will again be within two per cent of expenditure during 2002 before taking into account any inflation during the year.

26 2003 net outturn The union has had to extend its strategy of seeking to maintain the level of services for a union of 20,000 members for a further year without yet achieving the income that would be associated with that number of members. The expenditure budget will remain tight until the necessary number of members has been recruited. However, for 2003 the Executive Council has considered a variety of membership forecasts and taken a modest central forecast which acknowledges it may well be 2004 before financial balance is achieved.

J Affiliations

1 Connect is affiliated to the following organisations:-

Action for South Africa	Maternity Alliance
Amnesty International	National Assembly Against Racism
Anti Nazi League	National Childcare Campaign
Campaign for Nuclear Disarmament	Scottish Human Rights Centre
Campaign for Press and Broadcasting Freedom	Scottish Trades Union Congress
Counteract	Stonewall
Disability Alliance	Trades Union Congress
General Federation of Trade Unions	Trade Union Research Unit
Institute of Employment Rights	Union Network International
Irish Congress of Trade Unions	Wales Trades Union Congress
Labour Research Department	Workers' Educational Association
Liberty	

2 The Executive Council will be submitting a proposition to Annual Conference to affiliate to Searchlight. An article about the work of Searchlight appears in the April 2003 issue of the *Review*.

3 TUC General Secretary election The union supported the successful candidature of Brendan Barber, previously Deputy General Secretary of the TUC. He is expected to speak at Connect's 2003 Annual Conference.

Action Taken 2002-03

In line with the terms of Proposition 1, passed at last year's Annual Conference, branches were advised of the updates to action taken on Conference business posted on the website in September 2002, December 2002 and April 2003 in Branch Circulars 97/02, 121/02 and 25/03 respectively.

Glossary

APPG	All-Party Parliamentary Group
AVC	Additional Voluntary Contribution
BT ECC	BT European Consultative Council
BTPS	BT Pension Scheme
BTRP	BT Retirement Plan
CBC	Conference Business Committee
CCU	Campaigns and Communications Unit
CPBF	Campaign for Press and Broadcasting Freedom
CSR	Corporate Social Responsibility
CWU (Ireland)	Communication Workers Union (Ireland)
CWU	Communication Workers Union
DB	Defined Benefit
DC	Defined Contribution
EC	Executive Council
ECOS	Employee Car Ownership Scheme (BT)
ETUC	European Trades Union Congress
EU	European Union
FAQ	Frequently Asked Question
GATS	General Agreement on Trade in Services
GFTU	General Federation of Trades Unions
GPC	General Purposes Committee
HR	Human Resources
ICT	Information and Communications Technology
iiP	Investors in People
ISTC	Iron and Steel Trades Confederation
LoB	Line of Business (BT term)
MPG	Managerial and Professional Group
MSD	Membership Services Direct
P&MS	Professional and Managerial Staff
PAIS	Personal Injury and Accident Scheme
PCG	Personal Contract Group
PSG	Professional Sales Grade
PTG	Professional and Technical Grade
RPI	Retail Price Index
RSI	Work-Related Upper Limb Disorder
SIF	Svenska Industritjänstemannaförbundet
TUC	Trades Union Congress
TUPE	Transfer of Undertakings Protection of Employment
ULF	Union Learning Fund
UNI	Union Network International
USR	Union Safety Representative



30 St George's Road
Wimbledon
London SW19 4BD

Tel: 020 8971 6000
Fax: 020 8971 6002

E-mail: union@connectuk.org
Web: <http://www.connectuk.org/>

Officers

Simon Petch
General Secretary

Adrian Askew
General Secretary Designate

Leslie Manasseh
Deputy General Secretary

Ben Marshall
Head of Industrial Relations

Aveen McHugh
Assistant Secretary

National Officers

Sandra Clowes
Steve Donnelly
Steph Marston
Pat Mulligan
Mark Panto

Mark Holding
National Organiser

Joanne Graham
Head of Administration

Trustees

Pauline Arthur
John Simkins
John Ward

Auditors

Horwath Clark Whitehill
Chartered Accountants
25 New Street Square
London
EC4A 3LN

Bankers

Unity Trust Bank plc
Nine Brindleyplace
4 Oozells Square
Birmingham
B1 2HB

Solicitors

Russell Jones and Walker
Swinton House
324 Gray's Inn Road
London
WC1X 8DH

Investment Managers

Colonial First State Investments
(Unity Investment Management Ltd)
Third Floor
30 Cannon Street
London
EC4M 6YQ