

Iain Conn and more cuts leave British Gas in 'last chance saloon'



Slashing another £250 million and yet more jobs is not the answer

GMB, the energy union, says today's Centrica's results today coupled with CEO Iain Conn's upcoming departure has left British Gas in 'last chance saloon'.

The interim results confirm Centrica will exit the oil and gas exploration and production business and its nuclear production interests and add another £250m of efficiencies on top of the £750m already announced.

British Gas, which is owned by Centrica, lost 742,000 customers last year, while profits have taken a hammering and the share price has tanked.



Meanwhile, the Centrica Board nodded through a 44% pay rise for CEO Iain Conn – bringing his pay to £2.4 million – while thousands of ordinary British Gas workers have lost their jobs or accepted deep cuts to their retirement pensions in order to support the company return to competitiveness.

Justin Bowden, GMB National Secretary, said:

“A couple of months after trousering a £750,000 pay rise, Iain Conn is to leave Centrica in ‘the last chance saloon’, a direct consequence of a litany of past management failures, compounded by the SVT cap.

“Centrica’s calamitous financial results come as no surprise to GMB and the announcement to cut another £250m and slash yet more jobs is not the answer – you cannot just cut your way out of crisis.

“ British Gas is a household name with the competitive advantage that that should bring. There is a brilliant workforce who are desperate for a future and are hurting.

Justin Bowden, GMB National Secretary

“Neither is the solution secretly touting Centrica’s wares in some sort of middle and far eastern bring and buy sale. You have to have a plan, you have to grow.

“British Gas is a household name with the competitive advantage that that should bring. There is a brilliant workforce who are desperate for a future and are hurting.

“More of the same – more job cuts on top of the thousands already gone and going – are panic measures not a credible plan for recovery. There must be a pause under a new CEO, investment and a new plan for growth.



“The havoc the SVT cap continues to wreak on British jobs across the UK’s traditional energy supply businesses and the unusually warm weather and outages in the nuclear business have not helped, but they are only a small part of the story; the real reasons for Centrica’s demise are a series of poor management decisions and an arrogant refusal to face up in time to the changing world of competition.

“British Gas has to stop haemorrhaging customers and rewarding boardroom failure. It has to change the flawed hard sell business model that contributed to the mess that it’s in and reverse its bullying



culture and urgently build a strategy around investment and growth, not cuts.

“Blessed with a loyal workforce, a top class brand and the biggest customer base in the country it now needs the right leadership and a properly implemented strategic vision.”

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