Governance

The Chairman was asked to confirm that the company had made improvements in its approach to corporate governance following the previous year's issues within the Global Services business. Sir Michael stated that the company's internal procedures had undergone a comprehensive review and that a number of significant changes and improvements had been made. This included a major focus on risk assessment, internal auditing and contract governance. He assured shareholders that the Board was now much better placed to identify and understand issues much earlier and effectively deal with them.

Corporate responsibility

A number of questions were asked relating to BT's commitment to corporate responsibility. One shareholder questioned the logic behind BT's pursuing planning applications for some windfarms. The Chairman stated that BT took its environmental responsibilities very seriously and informed shareholders that BT was aiming to produce 25% of its electricity needs from renewable sources by 2016. As part of the Planning process specialist consultants carry out an impact assessment of proposals. Their reports are submitted with Planning applications and are available for the public to review. The Chairman was also asked to reassure shareholders that executive pay would be linked to achieving corporate responsibility objectives. Sir Michael stated that there was already an environmental, social and governance objective linked to bonus awards and informed the meeting that there was a Board sub-committee focused on making corporate responsibility part of the way BT does business and which sets the corporate responsibility and business strategy for the group.

Customer Service

Questions from shareholders focused on various aspects of customer service. Asked what BT was doing to attract customers back to BT, Chief Executive Ian Livingston assured shareholders that BT is doing a great deal to attract to customers including those that have left BT in the past. This includes competitive pricing on all services and in particular on bundled products such as telephone/broadband/BT Vision packages. He also made it clear that the company's dedication to improving standards of customer service was focused on a 'right first time approach' that resulted in customer complaints being resolved quicker and at lower cost. However, he also made it clear that whilst much progress had been made in the area of customer service he remained determined to achieve greater improvements.

The Board was also asked whether BT was considering products designed to appeal to customer groups with specific needs such as 'silver surfers'. Ian Livingston told shareholders that BT already offered reduced cost services for customer groups (such as BT Basic for those on certain state benefits) and that the company would, as part of its drive to grow market share, consider packages for other customers groups.