

32/58

MT.

Confidential filing.

Cabinet Office Whitley Council request for a meeting, concerning pay, with the Prime Minister.

CIVIL SERVICE.

March 1980.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
31.3.80. <del>3.4.80</del> 3.12.80							
<p>PREM 19/146</p> <p style="border: 2px solid red; padding: 5px; display: inline-block; transform: rotate(-10deg);">           Material used by            official historians            DO NOT DESTROY         </p>							



Sub

CO

Civil Service

10 DOWNING STREET

From the Principal Private Secretary

3 December 1980

The Prime Minister has asked me to thank you for your letter of 25 November in which, on behalf of the Cabinet Office Staff Side, you recorded the concern felt by Cabinet Office staff at the suspension of the Civil Service Pay Agreement, and the Pay Research procedures governed by it, for the 1981 settlement.

The Prime Minister is well aware that good will and trust underlie relations between staff and management in the Cabinet Office, and she very much hopes that that will continue to be the case. She does not accept, however, that suspending the Pay Research procedures for the 1981 settlement shows a lack of concern at the national level for staff relations in the Civil Service.

The Government has long made clear the need for restraint in pay settlements for both the private and public sectors in the coming year. The present economic situation means that settlements need to be kept as far as possible within single figures if further growth in unemployment is to be avoided. Many settlements in the private sector are being made within single figures, and the public services must clearly play their full part in this. In view of the need to reduce public expenditure the total amount of money which the Government can provide for public service pay will be limited this year. As you know, the Lord President gave notice in August that the cash limit, reflecting what the country as a whole could afford, would be the major determinant of Civil Service pay in 1981. It was hoped at that time that Pay Research would still have a part to play, but the need for restraint has since then become increasingly clear. After very carefully weighing all the factors the Government decided, therefore, that the proper course was to suspend the Pay Agreement for the 1981 settlement.

As you will also know, the Government has been discussing with the Civil Service unions possible changes to the Pay Research system, for the longer term, designed to strengthen its independence and impartiality; and the Prime Minister very much hopes that these talks will continue.

FCA. WHITMORE

B

F.J. Johnson, Esq.



**with compliments**

MINISTER OF STATE

---

CIVIL SERVICE DEPARTMENT  
Whitehall London SW1A 2AZ

Telephone 01-273 5563/4086

91R  
Ref. A03697

MR. PATTISON

*Mr Whitmore*

*You should perhaps sign this letter.*

*MJD*

In your minute of 26th November you asked for advice on the letter from the Chairman of the Cabinet Office Staff Side about the suspension of PRU.

2. A number of Staff Sides have seen - or are seeing - their Ministers about this matter. A request from the Cabinet Office Staff Side to see the Prime Minister last March to discuss pay negotiations in the light of cash limits, was refused, on the grounds that as Minister for the Civil Service it would be inappropriate for the Prime Minister to see a departmental staff side on a matter of "national" (as opposed to "departmental") significance. While regretting this decision the Cabinet Office Staff Side appeared to have accepted it. But they made it known that at the meeting of the Cabinet Office Departmental Whitley Council meeting on 12th December, they will raise the matter of Cabinet Office Staff Side access to a Minister other than the Prime Minister.

3. I attach a draft reply for you to send to the Staff Side's letter of 25th November. We do not know how widely they will circulate, or how they will use, any reply. We have, therefore, thought it right to refer briefly to the background which led to the decision to suspend PRU for the 1981 settlement.

*Jor*

*[Signature]*

(D.J. Wright)

2nd December, 1980


DRAFT LETTER FROM M.A. PATTISON TO  
F.J. JOHNSON, ESQ., CHAIRMAN, CABINET  
OFFICE STAFF SIDE

The Prime Minister has asked me to thank you for your letter of 25th November in which, on behalf of the Cabinet Office Staff Side, you recorded the concern felt by Cabinet Office staff at the suspension of the Civil Service Pay Agreement, and the Pay Research procedures governed by it, for the 1981 settlement.

between staff and management

The Prime Minister is well aware that good will and trust underlie ~~staff/management~~ relations in the Cabinet Office, and she very much hopes that that will continue to be the case. She does not accept, however, that suspending the Pay Research procedures for the 1981 settlement shows a lack of concern at the national level for staff relations in the Civil Service.

The Government has long made clear the need for restraint in pay settlements, for both the private and public sectors, in the coming year. The present economic situation means that settlements need to be kept as far as possible within single figures if further growth in unemployment is to be avoided. Many settlements in the private sector are being made within single figures, and the public services must clearly play their full part in this. In view of the need to reduce public expenditure the total amount of money which the Government can provide for public service pay will be limited this year. As you know, the Lord President gave notice in August that the cash limit, reflecting what the country as a whole could afford, would be the major determinant of Civil Service pay in 1981. It was hoped at that time



that Pay Research would still have a part to play, but the need for restraint has since then become increasingly clear. After very carefully weighing all the factors the Government decided, therefore, that the proper course was to suspend the Pay Agreement for the 1981 settlement.

As you will also know, the Government has been discussing with the Civil Service unions possible changes to the Pay Research system, for the longer term, designed to strengthen its independence and impartiality; and the Prime Minister very much hopes that these talks will continue.



JS

Cabinet Office  
Staff Side

10 DOWNING STREET

*From the Private Secretary*

MR. WRIGHT

---

I attach a copy of a letter to the Prime Minister from the Cabinet Office Staff Side. This has not been acknowledged. I should be grateful for Sir Robert Armstrong's advice as to how the Prime Minister should handle this.

M. A. PATTISON

26 November 1980

HL8



CABINET OFFICE  
*Central Statistical Office*

Great George Street, London SW1P 3AQ Telephone 01-233 7341

25 November 1980

Dear Prime Minister

I am writing to you, as our Minister, on behalf of the Staff Side to tell you of the grave concern felt by Cabinet Office staff at the recent declaration by the Official Side that the Pay Research Unit basis for negotiating salary levels within the Civil Service was being suspended.

We are dismayed at the way in which a mutual agreement, freely entered into, has been broken. Well established procedures for consultation and negotiation have been abandoned without any indication of when the pay agreement will be fully observed and will, of course, inevitably lead to mistrust of any future agreement.

Members of staff are well aware of the problems facing the country. However, we would point out the serious effect on the morale and attitude to work of your employees of dictating terms and conditions rather than explaining the aims of government and attempting to reach agreement on the best way of achieving those aims.

The staff in the Cabinet Office, as indeed the whole Civil Service, have a tradition of loyalty towards the government and wish to serve their employers as efficiently and wholeheartedly as possible. It seems a pity, therefore, that the goodwill and trust which normally underlies staff management relations in this department is being eroded by the lack of concern at the national level for the well established procedures governing employee relations in the Civil Service.

Yours sincerely

F J JOHNSON  
Chairman  
Staff Side

The Prime Minister  
10 Downing Street





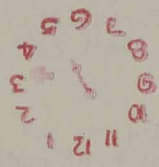
CABINET OFFICE

London

Dear Sir,

I refer to your letter of the 14th inst.

The information you have provided is being considered and we will be in touch with you again as soon as a decision has been reached.



25 NOV 1980



CABINET OFFICE

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

From the Secretary of the Cabinet Sir Robert Armstrong KCB, CVO

Ref: A01883

3rd April 1980

MBG  
IL  
874

Thank you for your letter of 1st April.

I shall of course report to the Prime Minister the Staff Side's dissatisfaction with the reply sent on her behalf to Mr. Older's letter of 21st March.

I cannot agree that that reply is "a negation of the whole Whitley system". As you recognise, the Prime Minister is in a special position, unlike that of Departmental Ministers, in that she is Minister for the Civil Service. She has said that she would be ready to entertain a request to meet the National Staff Side. For my part, I am very ready to meet the Chairman and other officers of the Staff Side of the Cabinet Office, and you may be sure that, were we to meet, I should convey to the Prime Minister any representations which the representatives of the Staff Side made. No doubt you will let me know if you decide after all to take up that suggestion.

ROBERT ARMSTRONG

John Muir, Esq

8 APR 1960



cc CO  
C&D

J

31 March 1980

The Prime Minister has asked me to thank you for your letter of 21 March in which, on behalf of the Cabinet Office Staff Side, you seek an urgent meeting with her.

The Prime Minister is, of course, in the rather special position that she is Minister for the Civil Service. In these circumstances, she thinks that, while she would be ready to entertain a request to meet the National Staff Side, it would not be appropriate for her to receive a deputation from any Departmental Staff Side, even that of the Cabinet Office.

She has accordingly asked Sir Robert Armstrong to meet the deputation which you propose. Sir Robert will of course be able to report to her and to her Cabinet colleagues the representations which you make, and she will also be aware of representations made through other channels by other Departmental Staff Sides.

T.P. LANKESTER

B.S. Older, Esq.

B&G

Ref: A01825

MANAGEMENT - IN CONFIDENCE

MR. LANKESTER

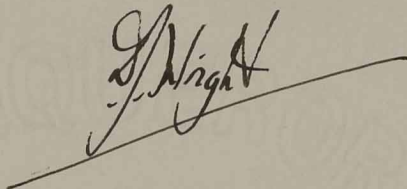
Prime Minister  
Agree I should  
write as per the  
draft at Flag B?

Yes out R  
28/3

A Flag A

In your minute of 21st March to Sir Robert Armstrong, you asked for advice on a letter to the Prime Minister from the Chairman of the Cabinet Office Staff Side.

2. Sir Robert Armstrong has discussed this letter with Sir Ian Bancroft. They agree that it would not be appropriate for the Prime Minister to accede to this request and recommend that Sir Robert Armstrong himself should meet the Staff Side representatives. I attach a ~~rd~~ draft reply from you to Mr. Older to this effect.



(D. J. Wright)

28th March 1980

B

DRAFT LETTER FROM T. P. LANKESTER TO  
B. S. OLDER, ESQ. Chairman, Cabinet Office Staff Side

The Prime Minister has asked me to thank you for your letter of 21st March, in which, on behalf of the Cabinet Office Staff Side, you seek an urgent meeting with her.

The Prime Minister is, of course, in the rather special position that she is Minister for the Civil Service. In these circumstances, she thinks that, while she would be ready to entertain a request to meet the National Staff Side, it would not be appropriate for her to receive a deputation from any Departmental Staff Side, even that of the Cabinet Office.

She has accordingly asked Sir Robert Armstrong to meet the deputation which you propose. Sir Robert will of course be able to report to her and to her Cabinet colleagues the representations which you make, and she will also be aware of representations made through other channels by other Departmental Staff Sides.

MANAGEMENT IN CONFIDENCE



B/F 1-4-80.  
28 380

10 DOWNING STREET

*From the Private Secretary*

SIR ROBERT ARMSTRONG

I would be grateful for advice on the attached letter to the Prime Minister from the Chairman of the Cabinet Office Staff Side.

I am sending a copy of this minute and enclosure to Sir Ian Bancroft.

T.P. LANKESTER

21 March 1980

KRP



CABINET OFFICE  
*Central Statistical Office*

Great George Street, London SW1P 3AQ Telephone 01-233 8699

21 March 1980

Dear Prime Minister

The Staff Side of the Cabinet Office Whitley Council met today to consider, amongst other items, the current problems in negotiating a pay settlement for the non-industrial civil service which would be acceptable to all parties involved in those negotiations.

Representatives of all the constituent staff associations reported upon their members' fears that, yet again, the national agreement governing civil service pay was about to be breached by one of the parties to that agreement, and expressed their grave concern about the apparently imminent imposition of a discriminatory and "hidden" incomes policy upon one section of the public sector, by the use of cash limits which ignore the evidence submitted by the independent Pay Research Board.

The Staff Side therefore instructed me to write to you to seek an urgent meeting with ourselves to discuss the problems involved in the pay negotiations while they are still at the stage where measures can be taken to find acceptable solutions.

I would be grateful if arrangements could be made for such a meeting to be held at an early date.

Yours sincerely

B S OLDER  
Chairman  
Cabinet Office Staff Side

The Rt. Hon. Margaret Thatcher, MP  
Prime Minister  
10 Downing Street  
London  
SW1



CABINET OFFICE

London W. 1

Dear Sir,

11 12 11  
11 12 11  
11 12 11  
11 12 11  
11 12 11  
11 12 11  
11 12 11  
11 12 11  
11 12 11  
11 12 11

21 MAR 1930



100  
100  
100