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CABINET OFFICE

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

Ref: A04406

6th March 1981

Mr. Jack Hibbert, an Under Secretary in the Cabinet Office (Central Statistical Office), was minded to join the strike on 9th March. I asked him to come and see me yesterday. I suggested to him that, however strongly he felt, he should consider seriously whether it was right or responsible for him, as a member of senior management, to take part in the strike. I drew his attention to the following considerations:-

- (1) The fact that the pay of the Higher Civil Service was not settled by collective bargaining but by reference to an independent Review Body implied that not only the Government but also the members of the Higher Civil Service accepted that the ordinary processes of collective bargaining, arbitration and (if need be) industrial action were not appropriate for those levels.
- (2) If he, as a member of senior management, went on strike, he would greatly embarrass his colleagues in senior management who might feel no less strongly but took a different view of where their responsibilities and loyalties should direct them.
- (3) As a member of senior management, he had other means than going on strike of making his views known to the Government.

In furtherance of the last point I said that, if he decided not to join the strike but wished to put his views in writing, I would convey those views to Ministers.

He has decided not to join the strike, and he has sent me a minute, a copy of which I attach. I think that it states very moderately and fairly views which are widely held in the Civil Service. In particular, it makes clear that it is not the amount of the current offer but the suspension of the pay agreement, following the treatment of the Civil Service in a sequence of earlier events, that has roused the strongest resentment.

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Sir Ian Bancroft, GCB

I am sending copies of this letter and Mr. Hibbert's minute to Jim Buckley, with the request that he should show Mr. Hibbert's minute to the Lord President. As the Prime Minister is not only the Minister for the Civil Service but also the Minister responsible for the Cabinet Office, I am also copying this letter and the minute to Clive Whitmore, who may like to show them to the Prime Minister.

ROBERT ARMSTRONG

1. SIR JOHN BOREHAM *JB*
2. SIR ROBERT ARMSTRONG *RA*

Yesterday, after I had explained to Sir Robert Armstrong the reasons why I felt I must register the strongest possible protest against suspension of the Civil Service Pay Agreement, if necessary by joining in the one day strike on Monday 9 March, he suggested that I should put down in writing the points which I wished to make.

I must begin by emphasising again my loyalty to the Government in all matters of official business which you both accepted without question.

The present situation can only be judged in the light of the events leading up to the suspension of the Civil Service Pay Agreement. Individually these events, though damaging to the relationship between the Government and its civil servants, could be tolerated but their cumulative effect has been to bring me to the point where I can no longer stand by without protesting in some overt way.

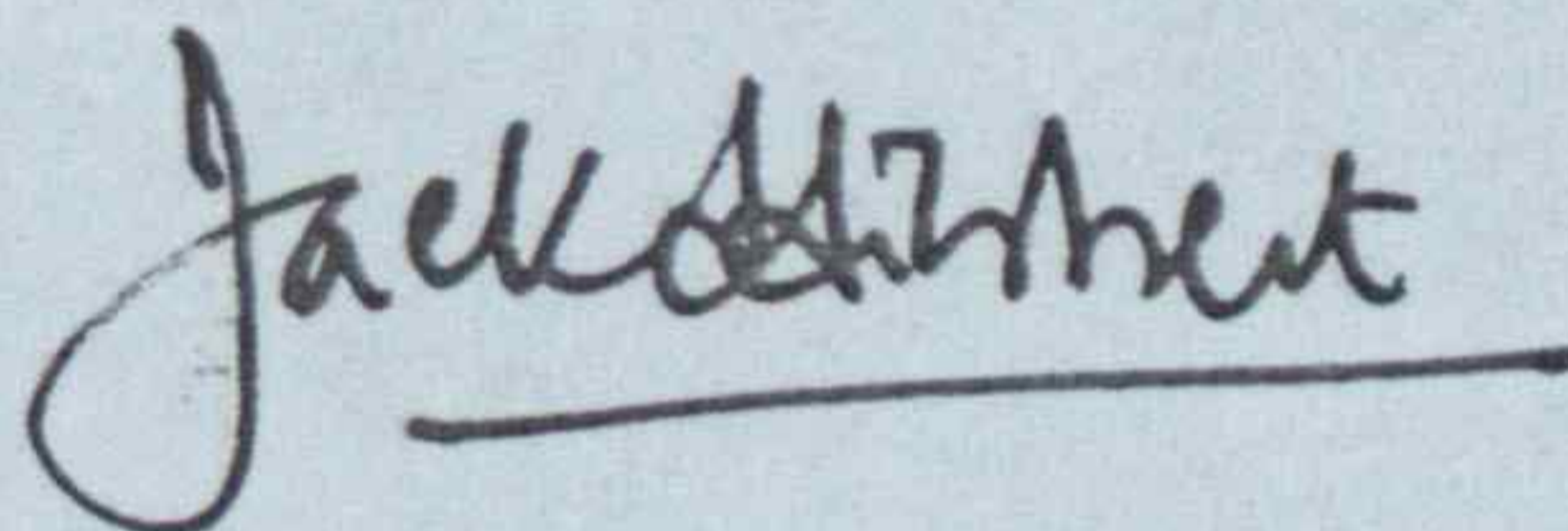
There has been a sustained denigration of civil servants, and the work that they do. This has been accompanied by gross misinterpretation of pay increases, which in fact reflected the earlier staging of awards, thus adding insult to injury. With certain notable exceptions it seems that Ministers have been reluctant, and senior civil servants unable, to correct these assertions publicly. During 1980 there was a period in which, as an under secretary, I found myself being paid less than the grade from which I was last "promoted", a management failure which no self-respecting employer would allow to arise. Although greatly annoyed by this I resolved to try to accept it philosophically despite an instinctive feeling that acquiescence would inevitably lead to further exploitation. Next came implementation of the Review Bodies' recommendations for doctors and dentists, and the Armed Forces, to be followed by a cut of over fifty per cent in the increase recommended by the Top Salaries Review Board (TSRB). Not only was this cut excused on the grounds that it was necessary as an example to others (a fact which seems to have been conveniently forgotten since) but, predictably, it appears to have had no discernible effect on other people's behaviour. All these events I have accepted (though the Clegg debacle made them harder to bear).

More recently, despite assurances that pay research would still have a part to play in the 1981 pay settlement, the Civil Service National Pay Agreement has been suspended and the results of the pay research exercise withheld. The First Division Association has argued strongly against these developments but it seems that rational argument carries no weight. Judging from the evidence from other disputes in the public sector that

the Government will be influenced only by more militant action the Association has recommended its members to support the one day strike on 9 March. Despite a personal revulsion against the idea of striking, and a clear recognition of the seriousness of doing so, I could see no legitimate outlet for my indignation other than by joining in the strike.

The events I have outlined have had a much more serious effect than simply making me angry. They have undermined the relationship between the Government and most civil servants to a point where something more than the Lord President's recent statements is needed. It is the Government's responsibility to set civil servants' pay at whatever level it judges to be right in the prevailing economic circumstances but there are three necessary conditions for this to be done in the orderly fashion which the Government seeks. First, the public image of civil servants and their work must be improved; we do not expect to be loved but we do expect some public recognition of our value from those we serve. Secondly, the facts about pay in the Civil Service and in similar private sector employment should not be suppressed; if the Government believes that some, or all, civil servants should earn less than those doing comparable work elsewhere it should make this clear and explain its reasons. Thirdly, there must be some clearer sign from the Government that it understands the urgency of reaching agreement with the Civil Service unions on the basic criteria for future pay settlements. This will require an initiative from the Government side. In a sentence, we need clarity and honesty about the Government's intentions in order to make any long-term progress.

Sir Robert kindly offered to pass my comments on the present situation to the Lord President. This now seems to be a more satisfactory way of expressing the strength of my feelings than joining the strike. I shall, therefore, not take part in it though, as must be clear, my sympathies are very much on the side of those who are doing so.



J HIBBERT

6 March 1981