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See Mr. Lyman

Yes per

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13/3

Announcement
After publication
on 18 March?

13 March 1980

Dear Tim

Thank you for your letter of 7 March to Andrew Hardman.

Subject to the Prime Minister's agreement, we propose to publish the Standing Commission's report on Municipal Airport Manual workers on Tuesday 18 March as a Command paper. I attach a draft press notice for you to put out on that day which has been approved by my Secretary of State. If the other recipients of this letter wish to suggest changes to the draft, perhaps they could let me know by noon on Friday 14 March.

The Commission recommends that municipal airport manual workers should have similar rates of pay of comparable workers in British Airways and the British Airports Authority. In order to establish rates of pay for individual workers it is necessary for them to be assimilated onto the grades and scales of BA and BAA manuals. The Commission considers that this task can only be done by the parties; but requires them to submit their proposals to it for approval before they are put into operation. As the method of assimilation has still to be worked out the Commission is unable to give an estimate in its report of the total cost of its recommendations. But the Office of Manpower Economics estimates, on the basis of reasonably pessimistic assumptions, that the cost is unlikely to exceed £1.7m a year; and that earnings will increase by not more than about 18 per cent.

The pay increases are to be paid in two stages from 1 August 1979 and 1 April 1980. As the assimilation exercise has still to be undertaken the Commission is unable to make recommendations for the first stage which would give precisely half the increase due in the second stage. They recommend instead, as an approximation, that the first stage should take the form of a weekly supplement based on half the difference between the average pay of the municipal airport hands and that of their comparators.

I understand that the increased costs flowing from this award are expected to be met by income derived from the operation of the airports; and that accordingly there should be no additional call on central or local Government funds.



The two sides, and the Government, are all committed to accepting the report's recommendations.

I am copying this letter, with its enclosure, and also copies of the revised report, to the Private Secretaries of members of E(EA), Mark Carlisle, Paul Channon and Sir Robert Armstrong.

Yours sincerely

John Anderson

J ANDERSON
Private Secretary

DRAFT PRESS NOTICE

PAY COMPARABILITY COMMISSION REPORT

The Government today published the report of the Standing Commission on Pay Comparability on the pay of Municipal Airport manual workers. This group was referred to the Commission by the last Government which undertook, with the parties to the reference, to accept the recommendations which the Commission was asked to make. The Commission recommends new pay rates on condition that a scheme for regrading Municipal Airport workers is submitted for approval to the Commission before it is put into operation. The Government accepts the recommendations, noting that those concerning new pay rates are subject to the Commission giving approval to the regrading scheme. Pay increases will be implemented in two stages with effect from 1 August 1979 and 1 April 1980.

17 March 1980

NOTES FOR EDITORS

1. The Standing Commission on Pay Comparability was set up in March 1979 to examine the terms and conditions of employment of groups of workers referred to it by the Government, and to report in each case on the possibility of establishing acceptable bases of comparison. In the case of Municipal Airport manual workers it was asked to make recommendations on how the pay of this group should reflect the results of the comparisons.
2. The Commission's recommendations will give the Municipal Airport manual workers a pay structure for each grade which will be similar to that of their main comparators (British Airways and the British Airports Authority). As part of the recommendations the parties are required to submit a scheme for the grading and assimilation of workers onto the new scales to the Commission for approval before it is put into operation.
3. It is expected that the increased costs resulting from these recommendations will, like any other increased costs falling on Municipal Airports, be met by local authorities from income derived from the operation of the airports.
4. Other groups on which the Commission has yet to report include teachers, some groups of local authority craftsmen and smaller groups.
5. Questions about the content of the report should be addressed to:-
Mr M Peaks, Office of Manpower Economics (tel no 01-405 5944 Ext 312).