

From the Private Secretary



*cc Wofham  
Vercher  
Holburn*

15 May 1981

Tim Lankester Esq  
10 Downing Street  
LONDON SW1

*mb*

*Dear Tim,*

CIVIL SERVICE DISPUTE

At the Prime Minister's meeting on 29 April the Lord President was asked to study ways in which it might be possible for the Government to escalate the action should the Civil Service Unions following their conferences still show no disposition to reach agreement. The attached note, written by CSD officials after taking the views of all the relevant departments, sets out the options.

I understand that the Prime Minister has asked to discuss this on Tuesday 19 May prior to Cabinet. Although the Lord President has not had time to consider the note in detail, he is generally content for it to go forward as a basis for discussion on Tuesday.

The main Civil Service Unions voted at their conferences to escalate their industrial action but left the timing open. The Council of Civil Service Unions will meet on 26 May to consider a range of possibilities, including an all-out strike. We must be prepared for intensification of the action, probably at the beginning of June. But at this stage it is impossible to predict the likely support for any all-out strike. The Lord President has seen some signs that the Unions are at last beginning to be ready for serious talks. No doubt they will want to see how talks progress before deciding finally their future course of action and we ought to wait until we know whether there is to be an all-out strike and we are better able to gauge what support it might have, before final decisions are taken on our side.

I am sending copies of this minute and the attached note to John Wiggins (Treasury), Richard Dykes (Employment), Jim Nursaw (Attorney General), Norman Adamson (Lord Advocate) and to David Wright in Sir Robert Armstrong's office.

*Yours sincerely,  
Jim Buckley.*

J BUCKLEY

INDUSTRIAL ACTION IN THE CIVIL SERVICE

Note by CSD Officials

Officials have been asked to consider what steps are open to the Government to increase the pressure on the Unions to negotiate a settlement of the present dispute and call off their industrial action. A range of measures has been considered in consultation with senior officials of other departments, and the following conclusions emerge.

1. Dismissal of staff on strike - summarily or after warning.
2. Suspension of staff without pay for fixed periods determined by management.

Both of these courses have been ruled out by the Attorney General and Lord Advocate.

3. Treating industrial action as a disciplinary offence.

The Law Officers have advised that this can be done only by following the long established disciplinary procedures. These are too cumbersome to be generally useful as a weapon against widespread industrial action. But where a disciplinary offence is committed in the course of industrial action Departments should not hesitate to take firm disciplinary action.

4. Extended use of Temporary Relief from Duty (TRD).

TRD has proved its value as a firm management response, and its possibilities have already been widely exploited. There is no great scope for extending its use. It would serve no useful purpose to have recourse to it in the few areas where Departments judge the consequence would be more damaging to the Government than to the Unions.

5. Withdraw the operative date of 1 April for the 1981 increase.

This might most effectively be done by announcing that if the industrial action continues beyond a named date, the operative date will be not 1 April but the date of the settlement.

This needs careful consideration. To apply it generally would be regarded as a very poor reward by those who have worked conscientiously and well during the dispute and particularly by those who have made determined efforts, often beyond the call of normal duty, to frustrate the effects of the industrial action and keep Government operations going. We shall badly need to retain the goodwill of these people in order to recover effectively from present troubles and to cope as well again in any future dispute.

The alternative would be to withdraw the 1 April operative date only in respect of staff who strike after the named date. This has attractions. While there is an element of rough justice about it, it would apply financial pressure on the right people. The Unions lack the resources to offer strike pay for an all-out strike lasting several days and they will not find it easy to persuade their members to support such action. The loss of, perhaps, 3 months retro-spection of the 7% increase might be expected to reinforce their reluctance. Departments have said that they see major objections to such action by the Government. It would greatly increase staff bitterness, would exacerbate the divisions between staff which it will be important to heal when the dispute is over, and worsen the already serious recovery problems. There can be no certainty that it would conduce to an earlier end to the dispute. Nevertheless it is an option to which Ministers may wish to give serious consideration.

6. Impose the settlement which is already on offer.

The timing of such action would be delicate. Imposition of a settlement would look like an act of weakness, not strength, if it did not lead to the early end of the strike (possibly after a short final flare-up). Its chances of success would depend on the degree of confidence staff felt in what was said about the determination of pay in 1982 and later. If it were to be seen merely as opening the way to another arbitrary pay settlement next year we should lose the loyalty of many of those who are crucial to keeping things going, carrying out the work of the recovery period and getting us through any future industrial action.

7. Legislation.

There is growing but by no means unanimous support from departments for legislation to permit the lay-off without pay of non-industrial staff who are without work by reason of the industrial action of others. There are now about 1,000 non-industrials with little or no work and over a further 5,000 who are significantly under-employed. Powers already exist for laying off unemployed industrials without pay. A draft Bill - the Employment (Interference with Work) Bill - is already in existence which would put non-industrial and industrial civil servants on the same footing. (It remains to be decided whether it should apply more widely than the Civil Service). It provides for wide powers of laying off those whose work is affected by industrial action, whether by themselves or by others. The powers could be invoked where normal working was affected to any extent by industrial action. Under the Bill as at present drafted the Government could withdraw the 28-day protection of pay which, under the existing agreement, industrials enjoy in regard to lay off on account of action by people other than industrials. It is undesirable to antagonise the industrials at a time when they are clearly not anxious to become involved in the current dispute and when their own pay negotiations are shortly to begin. But it would be open to Ministers to give an assurance during the passage of the Bill that this existing protection for industrials would be preserved.

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The Bill could be ready for introduction very soon after the House resumes in the first week of June. Its introduction would be greatly resented by staff, particularly by those who have worked loyally if they saw it, as they well might, as threatening them with the loss of their pay if at any time they were without work because of action by their colleagues even although they were not in sympathy with it. And Ministers may judge that the numbers without work are not yet of such a magnitude that immediate legislation could be justified. But the power to lay off without pay would be an important new weapon in the hands of the Government and a valuable reinforcement of TRD. Moreover, it could be expected to bring some satisfaction to the industrials, who increasingly resent the present distinction in the way industrials and non-industrials are treated. The argument would be that if non-industrials behave like industrials they must expect to be treated as such.

Beyond this, we have given preliminary consideration to wider ranging legislation to remove the right to strike and the cover of employment protection legislation from civil servants. Any such legislation would be highly controversial and would need thorough preparation and could not be enacted in time to make any contribution to the resolution of the present dispute. It is for consideration, if at all, as part of a longer term reform of Civil Service industrial relations.

Civil Service Department  
14 May 1981