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Premi Amriti

PRIME MINISTER

I hope the sense  
of urgency has been  
conveyed to the employers  
and that we have contingency plans  
ready for possible emergencies. AM.

You asked me at Cabinet this morning about the likely timescale for the current water industry pay negotiations.

The present agreement expired in the first week of December. We are therefore on borrowed time, so to speak, with any settlement flowing from the present negotiations due to be backdated accordingly.

Last year a settlement was not reached until 1 March, so in practical terms there is no precise answer to your question. It is simply a question of tolerance by both sides to the current negotiations. What is likely, however, is that the employers will have to proceed urgently with negotiations now that the local authority manuals have settled today and in view of the unions' threat to take industrial action. This is in contrast to the rather leisurely approach which the employers have so far adopted, at our request, while the local government negotiations were in progress.

I am copying this to Cabinet colleagues and to Sir Robert Armstrong.

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17 January 1980

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