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RECORD OF MEETING BETWEEN CTU AND SECRETARY OF STATE FOR EMPLOYMENT  
AT NO 8 ST JAMES'S SQUARE

25 June 1979

Present:

Mr Lester (for S of S until his arrival)  
Mr Mayhew (for S of S until his arrival)  
Mr Shepherd (Special Adviser to S of S)  
Mr Geoff Campbell (AUEW-TASS)  
Mr Bill Brum (ASTMS)  
Mr David Howell (ASTMS)  
Mr Ken Hutchinson (CPSA)  
Mr Mike Watts (NALGO)  
Mr John Bowis (CTU)

Proposals to Amend Employment Protection Act by Order:

There was discussion on the DE proposals to amend, by order, provisions of the EP Act, extending "qualifying period" for employees' claiming unfair dismissal from 26 weeks continuous service to 52 weeks (and 104 weeks for employees aged under 18); and reducing the period of notification and consultation for redundancies of 10-99 people from 60 days to 30 days.

There was general support for the Government's proposals. But it was pointed out that the proposed extension for unfair dismissal claims to 2 years for those aged under 18 would effectively remove any such right from youngsters. There was a danger that some employers might abuse this new provision, dismissing youngsters as they approached their 18th birthday (there were already some examples of abuse under the present very limited provisions). Such a move would also threaten any youngster's right to continue his apprenticeship.

It was agreed that restoring the confidence of small businesses was vital, and in this context the workings of industrial tribunals also needed examination. But it was felt to be important that the more extreme proposals by some of the small business lobby should be resisted. One possibility worth consideration would be exempting new businesses below a certain size (eg employing fewer than 20), although concern was expressed that this could be abused.

Cuts in the DE and MSC Measures

There was discussion about the implementation of the spending cuts in the DE and MSC special measures programmes. The value of some of the programmes was emphasised, and concern was expressed that cutting them would deny basic training facilities to youngsters and would not lead to much saving, since many would draw State benefits.

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The Government was aware of this problem, but felt that the measures should not come to be seen as providing jobs on a permanent basis; there had to be some through-put, some savings had to be made to help get the economy on the move and provide more employment opportunities. Care had to be taken to retain the present range of measures. It was also emphasised that the previous Government's guarantees of places on YOP had been kept, that assistance for the disabled had not been reduced, and that in making the reductions priority had been given to the areas with greatest employment needs. As regards fears that the Government might cut back on job-centres, it was pointed out that the planned expansion had been cut, but not drastically as some in the Party had wanted.

#### Cuts in Public Spending

It was reported that despite Mr Drain's attack on the Government's proposed cuts, the response at the NALGO Conference had not been as critical as some had expected. But there was a danger that opposition would grow rapidly if the cuts were implemented indiscriminately and services were hit rather than wastage being eliminated. There was a real risk that the "tight ships" would be penalised - the well-run Department would be expected to achieve savings on a similar scale to those called for from profligate authorities: this was hardly the way to encourage economy in the future.

Other questions which would have to be considered in mounting any savings exercise included - the scope for cutting functions, and the contribution which savings on "paperwork" could realistically be expected to make. It was agreed that a paper from CTU advising on the implementation of cuts in public spending would be very useful.