

PRIME MINISTER

Magistrates Courts' Staff in Inner London

Last Thursday, the Home Secretary reported that he was trying to reach a settlement with Inner London Courts' staff on the same basis as the settlement reached with staff outside London. The latter was as follows:-

- (i) 9.6% from 1 July plus some restructuring bringing the total increase in the wage bill to over 12%.
- (ii) Reference to Clegg, with the results to be paid in full from 1 December 1979.
- (iii) 5% payment on account from 1 October, to be recouped from the Clegg award.

The letter at Flag A now proposes a settlement for the Inner London staff on the following lines:

- (i) 9% plus £1 from 1 July.
- (ii) A further 5% from 1 October.
- (iii) Reference to a working party (not Clegg) which would recommend a further basis of pay determination for the Inner London staff, and make a specific recommendation as to timing and amount for a final stage of this year's award.

The Home Secretary is trying to get agreement to this package this afternoon, and will almost certainly wish to speak to you about it.

The Financial Secretary (in Sir Geoffrey Howe's absence) has been consulted, and has said that he is content subject to the Lord President's views. The Lord President is away, but Mr. Channon has now told Mr. Whitelaw that the proposed settlement is objectionable because of its likely repercussions on the industrial Civil Servants. His point is that the staging is more favourable than for the industrial Civil Servants on two counts:-

- (i) Whereas the industrials have their second stage in November, the Magistrates clerks would get theirs in October. (The second stage for the clerks outside London is in fact October, but their settlement was concluded by the local authorities against the Government's advice which was that the second stage should be November. The Home Secretary is responsible for the Inner London clerks, and therefore an October staging for them would be seen as having the Government's full authority behind it.)
- (ii) The timing of the final stage is indeterminate; by contrast, the industrials following a similar pattern to the non-industrial Civil Servants and Clegg groups will get their final payment next April.

Sir Keith Joseph has also been consulted, and he too is against the proposed settlement - partly for the same reasons as CSD, but also because he feels that we should not cave in in response to industrial action so soon, and because he feels - rightly I am sure - that the case should be referred to Clegg, and not to the ad hoc working party. Sir Keith Joseph has suggested that the issue be taken in (EA) - there is a meeting scheduled for Thursday.

The Home Secretary has also spoken to Mr. Prior, who I understand is content with his proposals.

This is all very difficult, and I would have hoped that it could have been settled by other Ministers without your having to be brought in. Having taken a tough line with CSD Ministers on the Civil Service industrials, I think you will want to support them now - at least until there has been an opportunity for collective discussion. Another three days of disruption of the Courts should be bearable in the meantime.

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