



PRIME MINISTER

The news on pay

PRIME MINISTER

Settlements generally continues to
be of single figures.

PAY BRIEF

MS
24/4

I attach my Department's pay brief for April.
I am sending copies to members of E, E(PSP),
and E(EA) Committees, and to Sir Robert Armstrong.

J P
24 April 1981

CONFIDENTIAL

PAY BRIEF - POSITION IN MID-APRIL

SETTLEMENTS

- 1 Since the March pay brief 92 settlements covering 1,406,000 employees have been reported. In the private sector the weighted average level of settlements over the last month was just under 10%. The average in the public sector (9 settlements covering 929,000 employees) was just over 8%.
- 2 The cumulative average level of settlements for the whole economy this round is just under 9% (520 settlements covering 5,535,000 employees) compared with 9% last month.
- 3 In the private sector the cumulative average is 9% (479 settlements covering 2,722,000 employees). In manufacturing, the average level is just over 9%. The average in non-manufacturing is just under 9%, but the principal groups in Construction and Financial sectors have yet to settle. There is a wide range of settlements (see Appendix 4). Recent settlements have tended to concentrate in the 6% to 10% range.
- 4 In the public sector (41 settlements covering 2,813,000 employees) the cumulative average is just under 9%. The average for the trading sector (28 settlements covering 554,000 employees) is just under 10% and for the services sectors (13 settlements covering 2,259,000 employees) is 8½%.

NEGOTIATIONS

- 5 In the PUBLIC SECTOR, Civil Service non-industrials (1 April - 562,000) continue to take selective industrial action following rejection of the 7% offer. The possibility of a 5.25% offer from 1 April, to last for 12 months for Industrial Civil Servants (1 July - 165,800) is being considered. National Health Service Ambulancemen (1 January - 17,000) have been offered an option of 6% for 12 months or 7.5% for 15 months. NUPE has recommended rejection. An offer of 6% to NHS Nurses and Midwives (1 April - 492,000) in response to a claim for increases in line with inflation (15%) plus other improvements has not been accepted as providing a basis for negotiation. An offer of 6% plus consolidation of some bonus earnings into basic pay for NHS craftsmen and maintenance workers (1 January - 14,500) has been rejected after a ballot of members. NHS Admin and clerical grades (1 April - 121,000) have submitted a claim for a substantial increase, restoration of the traditional pay link with the Civil Service, improved holidays and a 35 hour week. Discussions are to begin after Easter. Local Authority non-manuals (1 July - 595,000) have presented a claim for increases of £7 plus 7% (costed by union at 13.1%) and a shorter working week. A claim has been submitted by Gas Supply staff (1 June - 58,500) for increases in line

CONFIDENTIAL

CONFIDENTIAL

with inflation, estimated by the unions at 16.1%, extra holidays, shorter hours and other improvements. The next meeting is on 30 April. Negotiations continue on a claim by Electricity Supply clericals (1 May - 50,000) for increases in line with inflation plus 2% to restore differentials with the manuals, shorter hours, longer holidays, an earlier settlement date and other improvements. Over half of the workforce at British Airways (1 January - 50,000) have now reached settlements based on the proposed 3 month pay freeze with an 8% increase from 1 April. Negotiations continue within separate National Sectional Panels. Unions representing British Rail clerical and conciliation grades (20 April - 150,000) are reported to have rejected a 7% offer. The claim is for a substantial pay increase. Next meeting arranged for 16 April. London Transport rail supervisory grades (20 April - 15,550) are claiming 12.5%. London Transport bus drivers and conductors (28 March - 19,800) have rejected an offer of 7.5% on rates made in response to a claim for increases in line with inflation, a reduced working week from 39 to 35 hours and 1 extra day's holiday. Negotiations resume on 22 April. An offer to Post Office UCW postal workers (1 April - 156,000) of 8% from 1 April with a further 1% from 1 October is to be put to a ballot of members. Discussions are continuing for BBC staff (1 April - 27,600) who have rejected an offer of 8.5% plus £100 (9.5% overall), 2 extra days holiday and other improvements in allowances. Unions for British Shipbuilders, staff and manuals (1 April - 70,200) are seeking endorsement of a 7.5% on basic pay (8.2% on average earnings) settlement. Result is expected soon.

6 In the PRIVATE SECTOR, selective industrial action is being taken by BIFU members of London Clearing Banks clerical staff (1 April - 146,000) over a claim for increases of up to 20%. CBU members have accepted the offer of 10%. Unions for Scottish Clearing Banks clericals (1 April - 17,125) are considering an offer of 9½% on salary plus 1½% bonus, made in response to a claim for 20% plus 2½% bonus. Trustee Savings Bank staff (21 February - 11,000) have rejected an offer of 8.75%. The claim is for 23.5%. Union negotiators for British Printing Industries Federation workers (24 April - 128,000) are recommending acceptance of up to £7.50 on rates, but a majority of unions representing Newspaper Publishers Association production workers (1 January - 33,000) have indicated that they are not willing to recommend acceptance of an 8% offer to their members. Employers in Building and Civil Engineering (23 June - 450,000) are considering an alternative offer/within the same cost limit as the proposal put to the unions for a 4 month wage freeze with a 5.75% increase on minimum rates from November. The claim is for increases over 20%. Unions on behalf of Chemical Industries Association process workers (1 May - 50,000) are seeking confirmation from their members for the rejection of a 6.4% offer. The claim is for about 21% on rates. Union representatives for Norwich Union staff (1 April - 7,200) are recommending rejection of an 11.5% offer.

CONFIDENTIAL

CONFIDENTIAL

PRICES AND EARNINGS INDICES

PRICES

7 In March the year on year increase in retail prices was 12.5% the same as in February.

EARNINGS*

8 In January (latest available published figure) the year on year increase in average earnings for the whole economy was 18.8%. All available evidence points to a continuation of the much slower rate of growth of average earnings shown by the index to January.

REAL DISPOSABLE INCOME*

9 The real disposable income of a typical family (described in the mid-September Pay Brief) rose by about 2 $\frac{1}{2}$ % in the year to December (latest available).

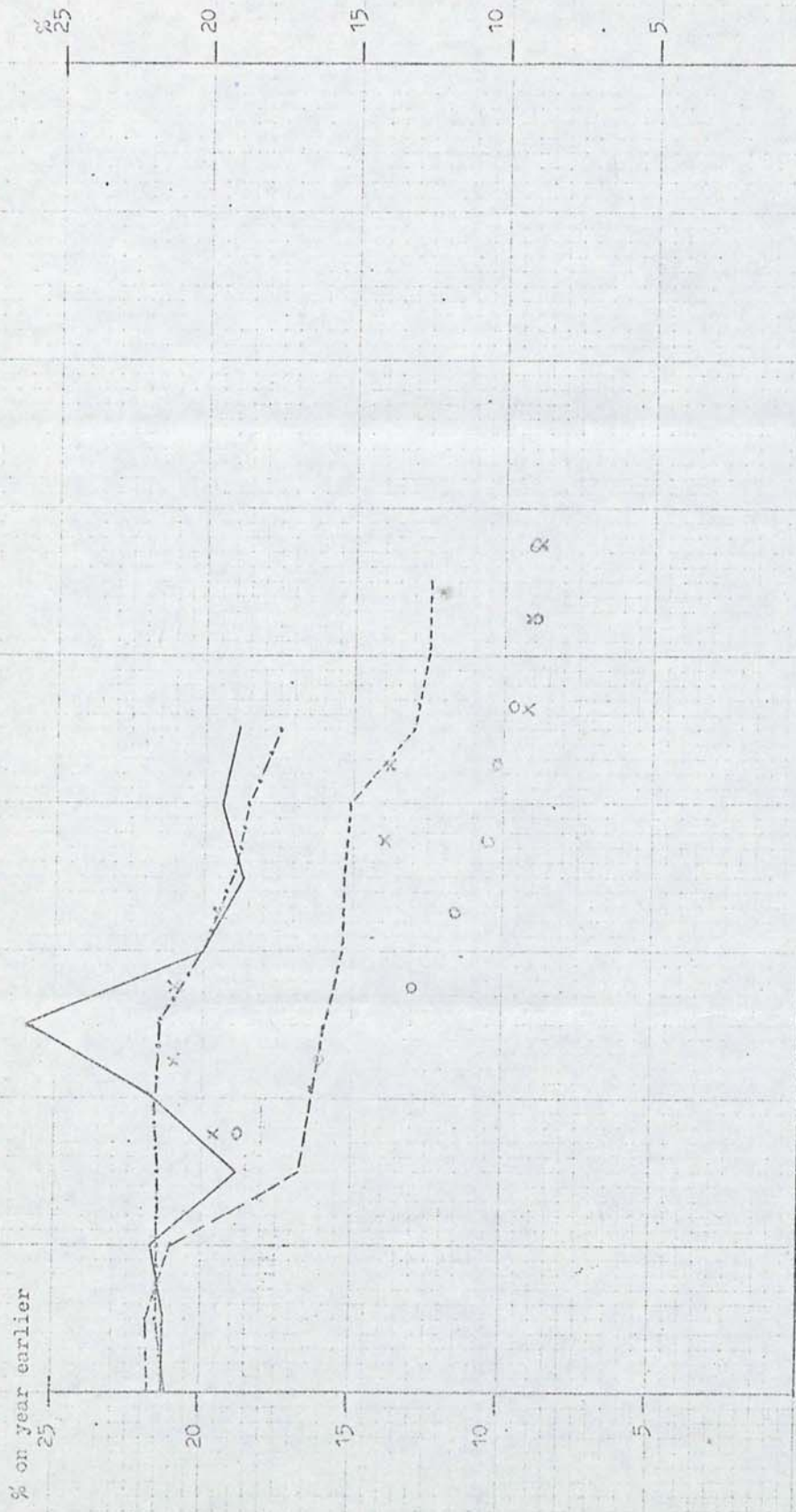
earn

* Due to industrial action by Department of Employment computer staff more recent published figures are not available.

CONFIDENTIAL

CONFIDENTIAL
TRENDS IN EARNINGS AND PRICES

APPENDIX I



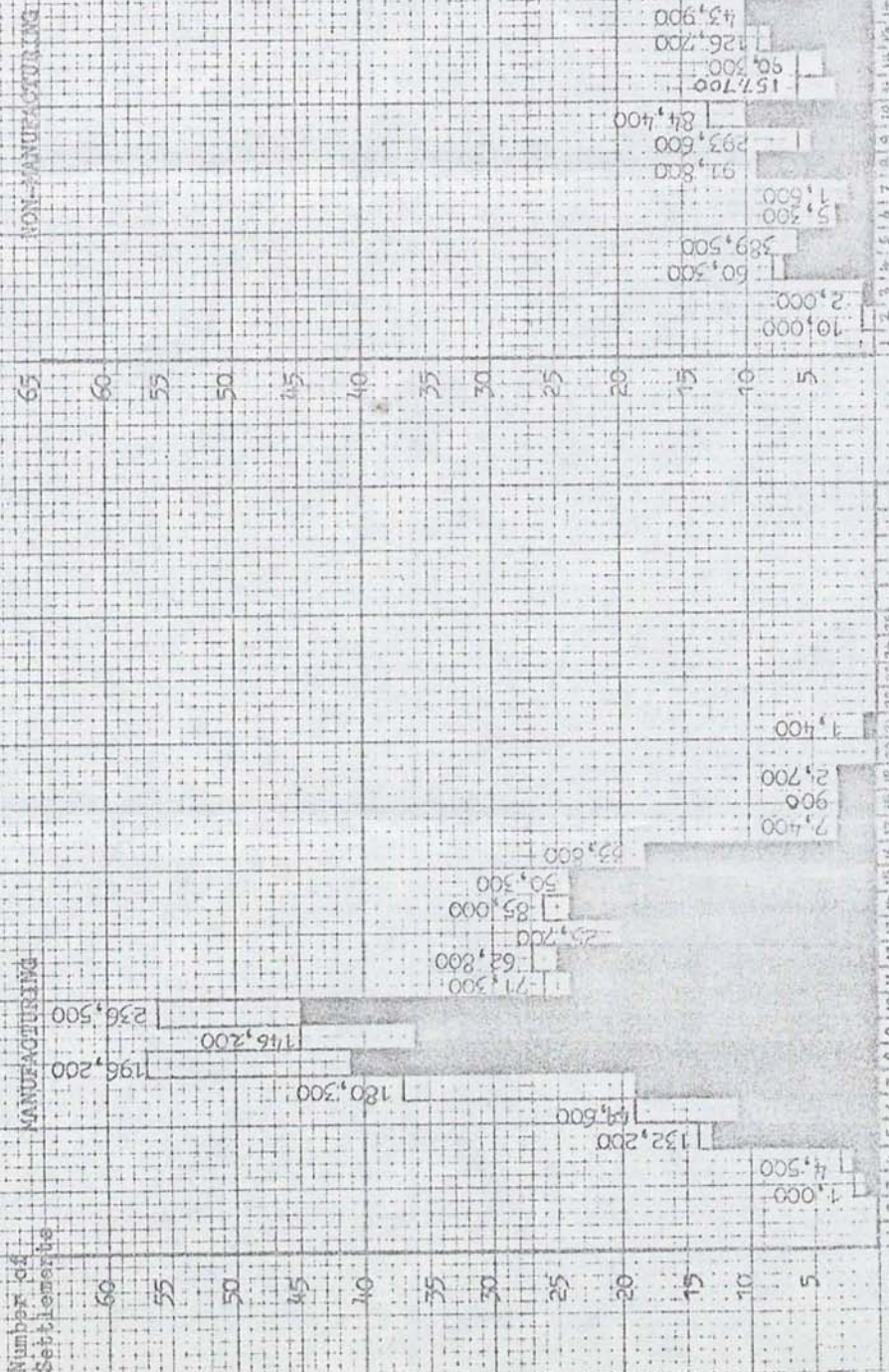
MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	
1980																		
1981																		
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
X																		
O																		
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Public Sector Settlements) Cumulative Average Increase in Earnings (effective after 31 July 1980)
 Private Sector Settlements)
 Underlying rate of increase in earnings

CONFIDENTIAL

DISTRIBUTION OF SETTLEMENTS IN THE PRIVATE SECTOR BY LEVEL OF SETTLEMENT FROM 1 AUGUST 1980

KEY
 [Bar with diagonal lines] SETTLEMENTS UP TO THE LAST PAY BRIEF
 [Bar with horizontal lines] SETTLEMENTS SINCE THE LAST PAY BRIEF



LEVEL OF SETTLEMENT (ROUNDED TO THE NEAREST WHOLE NUMBER)

*NOTE - THE NUMBER OF WORKERS (ROUNDED TO THE NEAREST HUNDRED) AFFECTED BY THE SETTLEMENTS GIVEN ABOVE THE APPROPRIATE INDICATOR.