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To plan

PRIME MINISTER

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MONITORING REPORT: PUBLIC TRADING SECTOR

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I attach the latest monitoring report. I do not think that there are any special issues to which I need draw attention on this occasion.

2. I am sending copies of this minute to the Home Secretary, the Chancellor of the Duchy, the Secretaries of State for Industry, Employment, Environment, Energy, Trade and Transport, to Mr Ibbs and to Sir Robert Armstrong.

(G.H)

22 June 1981

PUBLIC TRADING SECTOR

GAS SUPPLY

1. Gas Staffs and Senior Officers (58,500)

Settlement date: 1 June

Unions: NALGO, GMWU, MATSA

BGC initially offered increases of 7%-9% and on 12 May raised the offer to 7.5% for those under 18 and 9.25% for adults. When the parties met on 28 May BGC again raised the offer and secured a settlement.

The terms are:

10.5% increase on basic pay for all aged 18 and over

8.5% increase for those under 18

1 day's extra holiday for all staff

BGC estimate the deal will add 10.3% to the wage bill for the settlement year.

2. Higher Management (3,500)

Settlement date: 1 July

Union: NALGO

On 14 May an offer of 9 $\frac{1}{4}$ % was rejected. At the next meeting on 4 June the offer was raised and a settlement agreed. The agreement gives 10.25% increases on all scales to operate from 1 June, which is to become the new annual pay review date.

BGC estimate the paybill cost for the year 1 June 1981 to 31 May 1982 at 9.8%.

ELECTRICITY SUPPLY

3. Power Engineers and Technicians (29,000)

Settlement date: 1 February

Union: EPEA

When the NJB met on 19 May, the Council's improved offer stood at 10.8% for lower grades of the Engineers' scale tapering to 6.8% at the top. There was some possibility of limited industrial action. Eventually the offer was further improved and a settlement agreed on the following terms:

An average increase of 10.3% on schedule salaries, tapering at the top to 9% from 10.8% at the lower end of the scales.

Shift pay and similar allowances are increased in line.

A 1-hour reduction to 37 hours in the working week from 1 October 1981. The cost will be partially absorbed by changes in working arrangements. The Council estimates the cost of the reduction will not exceed 1% on the paybill.

Increased holidays for senior staff, benefitting this year those with over 20 years service. The cost has not been quantified but is not expected to be significant.

The overall cost of the settlement is put by the Council at just under 11 $\frac{1}{2}$ %.

4. Managerial grades (1700)

Settlement date: 1 April

Unions: EMA, AMEE, NALGO

The group settled on 5 June for 10% across the board, one additional week of annual leave and a one hour reduction in the working week. The total cost on the group's wage bill is estimated at about 10%.

5. Clericals and administrative (47,000)

Settlement date: 1 May

Union: NALGO

The Union is expected to accept but has not yet finally confirmed a settlement on the basis of an offer made at the NJC on 15 May. This provides:

(a) for administrative grades, the same terms as the engineers, ie 10.8% on salaries tapering at the top to 9%

(b) for clerical grades, 10.8% on salaries for the top grades tapering to 9% at the bottom of the scales

All grades obtain a one-hour reduction in the working week from 1 October 1981. Most of the cost is expected to be absorbed without increase in the salary bill.

The Council assesses the total cost over a full year at under 11%.

BRITISH NUCLEAR FUELS LTD

6. Non-Industrial Staff (6,275)

Settlement date: 1 April

Unions: IPCS, CPSA, SCPS, AGSRO

BNFL staff were historically associated with civil service rates and were formally linked to civil service scales until 1979. The main unions are civil service unions currently in dispute with the Government over civil service pay. There was a 1 day strike on 20 April, for which the unions claimed 95% support, followed by selected industrial action at Calder Hall and Chapel Cross power stations.

The company at first kept below the civil service offer and offered 5%, then 6%, but in later negotiations went to 8.5%. A settlement has now been agreed which provides 8.5% on all scales except the top two where the figures are 7.5% and 6.5%. For the benefit of lower paid staff, the agreement provides that the minimum increase is to be £440 pa. The Company estimates the paybill cost at 9.53%. The settlement also gives some increase in leave entitlement.

7. Industrials (8760)

Settlement date: 1 July

Unions: GMWU, AUEW, TGWU, EETPU

BNFL have no formal links with any other group. In practice because of shared sites with UKAEA and common trade union representation there are informal links with UKAEA industrials. The Department of Energy reports that the trade unions have submitted a substantial claim for increases in basic pay and a reduction in working hours. They have rejected an initial 7½ percent offer. Further negotiations are expected to take place soon.

UNITED KINGDOM ATOMIC ENERGY AUTHORITY

8. Staff (8760)

Settlement date: 1 April

Unions: IPCS, CPSA, SCPS, AGSRO

UKAEA salaries are directly linked to those of civil servants and the settlement of the Authority's scales therefore awaits the conclusions of the central civil service settlement. The main unions are civil service unions currently in dispute with the Government. There has been some participation by the Authority's staff in the civil service industrial action, but despite press reports that more extensive action was planned it is

currently confined to 15-20 members of the prototype fast reactor (PFR) team at Dounreay.

9. WATER SERVICES (Staff 31,500)

Settlement date: 1 July

Unions: NALGO, GMWU, NUPE, GLCSA, TWSA

The union side rejected 10.2% and 1 day's holiday on 22 May. On 1 June the employers raised their offer and the union representatives agreed to recommend acceptance, and formal ratification is expected on 25 June. The terms are:

10.9% on all salaries (Cost: 10.7% on wage bill)

Increased standby pay and other allowances (Cost: 0.2% on wage bill)

Extra holidays: 1 day below age 20 and additional days for long service staff (Cost: minimal)

The NWC estimate the overall cost at 10.8% on the wage bill.

10. BRITISH STEEL CORPORATION (All groups - 140,000)

Settlement date: 1 January

Unions: BSC-ISTC, BSC-NCCC, NUB, GMWU, TGWU, MATSA, ACTSS, ASTMS, APEX, SIMA

4 The Corporation has obtained the agreement of all unions except ISTC to its "survival plan" and to pay increases of 7% from 1 July, with no increase from 1 January.

ISTC has rejected the offer and refused national agreement on the survival plan, although they are willing to engage in local negotiations on redundancies in particular plants.

There had been no formal negotiations between BSC and ISTC since 10 February but talks were held on 18 May, when ISTC pressed for arbitration. BSC did not

think arbitration appropriate in view of the other unions' support for the terms on offer and no agreement was reached.

The issues will come before ISTC's Conference, starting on 16 June, when it is expected the Executive will ask Conference to decide how far to take rejection of the offer. If ISTC's position does not change, BSC will implement the 7% increases from 1 July, notwithstanding the absence of a fully agreed settlement.

11. BRITISH AIRWAYS (All groups 50,000)

Settlement date: 1 January
1 April for pilots

Unions: TGWU, AUEW, ACTSS, AUEW (S & T), APEX, ASTMS, GMWU, FTATU, UCATT, BALPA

Settlements have now been agreed for the larger part of the work force. Negotiations have been taking place in the National Sectional Panels on the basis of the Board's offer of 8% from 1 April, with no increase from 1 January. The distribution of the available sum has not been the same for all groups, but each Panel has kept within the planned overall cost.

Three groups have not yet finally fallen into line. These are the pilots, whose negotiations are progressing slowly but are still at an early stage, and the ramp workers and cabin crews who are negotiating on detail. The cabin crews have decided against industrial action in their negotiations on the manning for the revised passenger services.

12. CIVIL AVIATION AUTHORITY (All grades - 8,000)

Settlement date: 1 April

Unions: CPSA, CSU, IPCS, SCPS, UCATT, EETPU, AUEW, GMWU, TGWU, NUSMW

CAA staff were originally civil servants and remained civil servants until 1975 when they become direct employees of the CAA. Since then their link with civil service pay has been maintained by agreement and increases have been in line with

those agreed for civil servants with only minor variations. Four of the unions are civil service unions currently in dispute with the Government on the central civil service pay claim.

A number of air traffic control staff have been supporting the civil service action with a campaign of selective strikes which has caused considerable disruption to services on the selected occasions.

On 9 June the Authority offered its staff, including air traffic control staff, immediate payment of the current civil service offer of 7% backdated to 1 April on condition that they take no further part in industrial action. If any eventual settlement were to exceed 7% this would be extended to the CAA staff.

13 Passenger Transport Executive Non-Manual Staff (5,500)

Settlement date: 1 April 1981

Unions: NALGO, ACTSS

In September 1980 this group negotiated a staged settlement which changed their ASD from 1 September to 1 April and gave increases in average earnings calculated at 13.29% for the 12 months period from 1 September 80. In the present round offers of increases, from 1 April 1981, of 6%, 6.5% and finally 7.5%, have all been rejected. NALGO has threatened industrial action by its members unless a higher offer is received.

The PTEs have decided to restructure their offer within the 7.5% overall limit and will set out their proposals at a Joint National Council meeting on 23 June.

14 British Rail (Clerical and Conciliation grades - 150,000)

Settlement date: 20 April 1981

Unions: TSSA, ASLEF, NUR

The 3 rail unions submitted a claim for "substantial pay increases" on 19 March. Negotiations opened on 13 April with an offer of 7% increase on pay rates which union negotiators rejected. Further meetings were held on 16 and 21 April at which BR were unable to improve their offer.

The unions then decided on the unilateral reference of their claim to the Railway Staff National Tribunal and both sides presented their cases on Monday 8 June. The Board made very clear to the Tribunal that its financial situation does not permit a higher offer. The decision is expected to be available in early July. BR would not be bound by the Tribunal's award, but it would inevitably become a factor in further negotiation.

15 London Transport Executive (Rail Supervisors, Booking Office and Conciliation Grades - 15550)

Settlement date: 20 April 1981

Unions: ASLEF, NUR, TSSA

Claims for an increase of 12.5% on pay were submitted on 31 March. In subsequent negotiations the unions have rejected LT offers first of 6%, then 8.5% plus a day of annual holiday and discussions on reducing hours; and, finally union negotiators declined to consider an 8% increase in basic rates plus productivity payments which could have meant increases well into double figures for all grades.

The unions want increases in line with RPI movements without strings, and had hoped that the new GLC administration ^{would} make the money available quickly. As yet, however, the GLC have not instructed LT to raise its offer accordingly; and at a meeting on 17 June, the unions agreed to refer the latest offer '(8% + productivity) for executive committee consideration. Strike action still cannot be ruled out, although it is now thought that the unions may stay their hand until the outcome of the RSNF hearing of the BR claim is known.

The Secretary of State for Transport is meeting the leader of the GLC on 18 June.

16 London Transport Executive (Rail Workshops Wages Grades - 3000)

Settlement date: 22 April 1981

Unions: ASBSBSW, AUEW, EETPU, FTATU, NSMM, NUSMWHDE, NUR, TGWU, UCATT

In response to a claim for 12.5% pay increases LT has offered a package comprising 8.5% on pay, one extra day of annual holiday and agreement to discuss a reduction in weekly hours.

The unions have not yet responded to the offer.

17 London Transport Executive (Road Workshops Wages Grades - 3540)

Settlement date: • 22 April 1981

Unions: ASBSBSW, AUEW, EETPU, FTATU, NUSM/CHDE, TGWU, UCATT

LT have offered Road Workshops grades the same package as their Rail Workshops Wages Grades (8% on basic pay, a minor bonus improvement, on extra day of annual holiday and a promise to consider the possibility of a 38-hour week) and this offer has now been accepted.

18 British Telecom

Settlement date: 1 July 1981

Unions: (representing BT Engineering Workers)

POEU: (Engineers, Technicians, etc.

SPOE: (Executive Engineers and Assistants, Inspectors etc)146,000

In advance of formal union claims British Telecom reached a provisional agreement with POEU and SPOE negotiators which union delegates voted to accept at their annual conferences, both held in the first week in June.

The deal comprises a 9% increase in basic pay; the consolidation of a 1% productivity payment agreed in the last pay round (not new money); and a guaranteed 2% productivity payment replacing productivity payments agreed in the 1980 pay round.

British Telecom state that the deal will add 9% to their pay bill. The Department of Industry consider this to be realistic on the basis that some savings will result from the productivity deal.

No estimate is available of the affect of the proposals on average earnings.

19 British Transport Locks Board (Manual grades - 3300)

Settlement date: 22 April 1981

Unions: NUR, CSEU, EETPU, TGWU, UCATT

A claim for increases in line with the annual movement in the RPI was discussed at a meeting on 13 May, when the Board's initial offer of 7% was rejected. A revised offer of 7.5% was considered by the unions and remained on the table at the resumption of these national negotiations on 9 June. In the course of that meeting 7.5% was rejected and the Board made an improved offer of 8%.

Unions representatives undertook to consult their Executives on the latest offer.

KEY TO ABBREVIATIONS

ABS	Assoc. of Broadcasting Staff
ACTSS	Assoc. of Clerical, Technical and Scientific Staff.
AGSRO	Assoc. of Government Supervisors and Radio Officers
AMEE	Assoc. of Managerial Electrical Executives
APEX	Assoc of Professional, Executive, Clerical and Computer Staff
ASBSBSW	Amal. Socty. of Boilermakers, Shipwrights, Blacksmiths and Structural Workers
ASLEF	Assoc. Socty. of Locomotive Engineers and Firemen.
ASTMS	Assoc. of Supervisory, Technical and Managerial Staff
BAIPA	British Airline Pilots' Assoc.
CPSA	Civil and Public Services Assoc.
CSU	Civil Service Union
EETPU	Electrical, Electronic, Telecommunication and Plumbing Union
EMA	Engineers and Managers Assoc.
EPEA	Electrical Power Engineers Assoc.
FTATU	Furniture, Timber and Allied Trades Union
GLCSA	Greater London Council Staff Assoc.
GMWU	General and Municipal Workers' Union
IPCS	Institute of Professional Civil Servants
ISTC	Iron and Steel Trades Confederation
MATSA	Managerial, Admin., Technical and Supervisory Assoc.
NAIGO	Nat. Assoc. of Local Government Officers
NCCC	Nat. Craftsmen's Co-ordinating Committee
NSMM	Nat. Socty. of Metal Mechanics
NUB	Nat. Union of Blastfurnacemen
NUPE	Nat. Union of Public Employees
NUR	Nat. Union of Railwaymen
NUSMWHDE	Nat. Union of Sheet Metal Workers, Coppersmiths, Heating and Domestic Engineers
POEU	Post Office Engineering Union
SCPS	Socty. of Civil and Public Servants
SIMA	Steel Industry Management Assoc
SPOE	Socty. of Post Office Executives
TGWU	Transport and General Workers' Union
TSSA	Transport Salaried Staff's Assoc.
TWSA	Thames Water Staff Assoc.
UCATT	Union of Construction, Allied Trades and Technicians