

CONFIDENTIAL



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Ami Anstah

PRIME MINISTER

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MONITORING REPORT: PUBLIC TRADING SECTOR

... I attach the latest pay monitoring report on the public trading sector. I do not think that there are any particular issues to which I need draw attention on this report.

2. I am sending a copy 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.

Ami Anstah
for (G.H.)
10 July 1981

(Approved by the Chancellor and signed in his absence.)

PAY MONITORING REPORT - PUBLIC TRADING SECTOR

1. British Nuclear Fuels Ltd - Industrials (8760)

Settlement date: 1 July

Unions: GMWU, AUEW, TGWU, EETPU

The Company at first offered 7.5% and later moved to 9% on all scales. The unions have agreed to recommend acceptance of the improved offer, which is to be put to shop floor meetings. No difficulties are expected in obtaining final ratification. The settlement includes a shortened working week from 1 January 1982. The length of the revised working week has not yet been determined. A joint working group has been set up to study the matter and to resolve problems of implementation. The Company hopes the arrangements for the introduction of the shorter week will include measures of rationalisation which could save money.

BNFL's estimate of the total cost of the settlement is 8.5% on the paybill.

2. United Kingdom Atomic Energy Authority - Staff (8700)

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 conclusion 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 at present this does not extend beyond 8 blastblowers at Harwell. The 20 or so workers at Dounreay who had been on strike have returned.

3. Electricity Supply - Clerical and Administrative (50,000)

Settlement date: 1 May

Union: NALGO

The expected settlement on the terms previously reported has been confirmed. It 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%

4. Water Services - Non-manuals

Settlement date: 1 July

Settlements have now been reached with all three white collar groups. As expected, the recommended offer to staff (31,500), the terms of which were reported previously, has been formally accepted. Senior staff (500) have settled for a similar 10.9% increase on salary scales but tapering to 10% at the top where scales overlap with those for chief officers (500) who have also settled for a 10.% increase.

5. British Steel Corporation (All groups - 112,700)

Settlement date: 1 January

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

The Corporation 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.

The issues came before ISTC's Annual Conference in the week of 16 June, the outcome being that the union decided to drop its opposition to the pay proposals. It is not clear whether this means ISTC will actually subscribe to the agreement, but in any case BSC implemented the increase on 1 July.

The Times reported on 20 June that on top of the 7% steelworkers would be receiving additional money of the order of 3% to 4.5% from increased productivity payments. Department of Industry has asked BSC about this apparently new item, and the Corporation has explained that it is not a part of the 1981 settlement. Locally negotiated productivity schemes yielding lump-sum bonuses were an element of the 1980 agreement which followed the prolonged strike. The schemes had an initial life of one year and extensions have now been negotiated. The Corporation has stipulated that the increased bonuses flowing from such negotiations must be financed by improved productivity.

6. 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 ramp workers and cabin crews who are negotiating on detail, and the pilots. Negotiations for the pilots, whose increase would not be implemented until 1 July, are moving only slowly. The pilots have neither rejected nor accepted the basic principles of the offer and there is the further difficulty in their case that anomalies left over from last year's restructuring need to be corrected and the Board wishes to do this without exceeding the cost for the group of the general pay offer.

7. 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 proportion of the air traffic control staff continues to support the civil service action with a campaign of selective strikes which cause considerable disruption to services on the selected occasions.

8. 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 1980. In the present round offers of increases, from

1 April 1981, of 6%, 6.5% and finally 7.5%, have all been rejected. Union members have been asked to vote on whether to take industrial action in support of an improved offer. The results of the ballot are expected on 11 July.

9. 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. In line with their annual conference (2-10 June) decision, ASLEF is reportedly threatening strike action over investment levels and possible cuts in services which would affect earnings and jobs.

The NUR considered the same issues at their annual conference last week. BRB take the view that no official trouble is likely in advance of the meetings which will follow Lord McCarthy's recommendations, which are now expected around the middle of this month. The Secretary of State for ^{Transport} will be consulting colleagues about the likely impact of the arbitration award on the Boards' EFL.

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

Settlement date: 20 April 1981

Unions: ASLEF, NUR, TSSA

Claims for a 12.5% pay increase were submitted on 31 March. The

unions have rejected offers of 6%, 8.5% plus a day of annual holiday and discussions on reducing hours, and 8% on basic rates plus productivity payments would could lift some drivers increases to over 15%.

In an attempt to persuade the GLC leadership to make more money available to improve the last offer the unions have set up a £500,000 strike fund and is now seeking support from other transport unions.

The leader of the GLC has now said that he will more than match any increases which resulted from the RSNT recommendations.

11. London Transport Executive (Rail Workshops Wages Grades - 3000)

Settlement date: 22 April 1981

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

In response to a claim for 12.5% pay increases BR has offered a package worth just over 8.5%. The unions have not yet replied (but see item 10).

12. London Transport Executive (Road Workshop Wages Grades - 3540)

Settlement date: 22 April 1981

Unions: ASBSBSW, AUEW, EETPU, FTATU, NUSMCHDE, TGWU, UCATT

Road Workshops grades have accepted the same package as LTE Bus Drivers and Conductors - 8% on basic pay, a minor bonus improvement worth some 0.5%, one extra day of annual holiday and a promise to consider the possibility of a 38-hour week. LTE has been warned by the TGWU that their road staffs' settlements will have to be re-opened if any group (eg rail staffs) is offered more.

13. British Transport Docks Board (Non-registered 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 rejected and the Board made an improved offer of 8%.

Unions' representatives undertook to consult their Executives on the offer and talks resume on 22 July.

14. British Transport Docks Board (Non-Manuals - 1740)

Settlement date: 20 May 1981

Unions: TSSA, NUR, EETPU

Talks on salaried grades' pay opened on 23 June and were adjourned until 22 July without an offer being made.