



cf JV

Prime Minister

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

Agree to X, in the week beginning 4/1?

Discussed with PM

m 24/12

MUS 24/12

Shall we ^{set up} ~~wait and see on~~ Y/Z, as proposed by Rob^t Armstrong?
On Z do you want to be in the

PRIME MINISTER

NON-INDUSTRIAL CIVIL SERVICE: PAY CLAIM 1982 chair (rather than the Chancellor)

- see Rob^t Armstrong's minute

As you know the Council of Civil Service Unions (CCSU) have ^{attached} submitted their claim for increases in the pay of non-industrial civil servants from 1 April 1982. A copy is attached for information

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2. The claim is for a general salary increase of 13 per cent with an underpinning minimum of £12.50 a week plus improvements in annual leave. The promised supporting evidence has not yet been received but is expected shortly. Our preliminary assessment is that the claim implies adding about 14 per cent on average to basic rates plus 1 per cent for the leave improvements.

3. We have acknowledged receipt of the claim and have suggested an initial exploratory meeting when the CCSU's promised supporting material is available. This meeting would be devoted to exploring the basis of the unions claim and would not be the occasion for the presentation of counter-offers. On present plans it would be likely to take place in the second week of January.

4. In parallel with this "exploratory" procedure (which can readily be made to take several weeks if we judge this appropriate) we need to clarify both our own position and the tactics we will pursue through the negotiation and any subsequent stages of arbitration and Parliamentary override. I have asked my officials to prepare a paper on these questions to be ready for consideration by Ministers early in the New Year.



5. My purpose in writing to you now is both to keep you in touch with developments and to invite you to give some preliminary thought to the Ministerial machinery we will need to oversee and control the negotiations. My own view is that we need to arrange a three stage operation: i. a meeting between the two of us together with Janet Young and Norman Tebbit at which we can concert our view - this might most usefully take place when the Treasury paper I have referred to above is available; ii. a wider meeting with colleagues - perhaps in an ad hoc group rather than in E(PSP) or E - at which we might seek general agreement on the approach we favour (but bearing in mind the need to preserve confidentiality); and iii. the establishment of a small supervising Committee of Senior Ministers, together with a small official back-up Committee to maintain day to day control of the negotiations. I would be willing to chair such a Ministerial group myself if that should be your wish.

6. At this stage I am copying this minute only to Sir Robert Armstrong in his role as Secretary to the Cabinet. I have already had a preliminary word with him.

(G.H.)

22 December 1981