

SUBJECT

SECRET AND PERSONAL  
MANAGEMENT IN CONFIDENCE

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of AW

NOTE OF A MEETING HELD AT 10 DOWNING STREET ON TUESDAY 2 MARCH 1982 AT 10.30AM  
TO DISCUSS THE LESSONS FROM THE 1981 CIVIL SERVICE DISPUTE

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Present

The Prime Minister  
Chancellor of the Exchequer  
Secretary of State for Defence  
Secretary of State for Social Services  
Chancellor of the Duchy of Lancaster  
Secretary of State for Employment  
Attorney General  
Minister of State, Treasury (Mr Hayhoe)  
Mr Ibbs

Sir Robert Armstrong  
Mr P L Gregson

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The meeting had before it the report by the Official Group on Lessons from the Civil Service Dispute (MISC 65) circulated under cover of Sir Robert Armstrong's minute of 11 February.

The Chancellor of the Exchequer said that the report contained lessons both about avoiding industrial conflict in the Civil Service and about preparing for and dealing with such conflict if and when it occurred. Under the first heading there were some useful strategic insights, notably the need for Ministers to give adequate attention to their role as employer and manager of the Civil Service. Under the second heading there were recommendations which he supported about organisation during a dispute and about the review of departmental contingency planning, and also some detailed conclusions and recommendations about management responses to industrial action, which he endorsed. In particular there was a need to overcome the operational difficulties where local managers were unwilling to apply the procedures for Temporary Relief from Duty (TRD). It would not be right to introduce

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legislation to permit lay-off without pay for the Civil Service alone. It was desirable to consider the discontinuance of check-off facilities in the event of industrial action. There should also be further study of taxing strike pay, management ballots and clarifying the obligations of managers. He agreed that "no-strike" agreements were not worth pursuing, with the possible exception of certain specialised groups of staff, for example in the Ministry of Defence.

The following points were made in discussion:

a. Although it was undesirable to introduce legislation about lay-off without pay for the Civil Service alone, further consideration should be given to introducing such legislation on a general basis. It was however a radical step since it would enable employers to override contracts which had been freely entered into. It would be necessary to consider whether lay-off without pay should apply only when staff were without work because of industrial action taken against their own employer or when they were without work because of any industrial action. There was also a problem of timing; it might on balance be better to introduce such legislation as an act of deliberate policy rather than on an emergency basis in response to a major industrial dispute. The merits of the proposal, and the precise provisions of the Bill which had been drafted on a contingency basis last year ought to be re-examined.

b. A major lesson of the report was the key role played by middle managers. It was not only desirable to redefine obligations and conditions of service; there had to be a major effort to capture the loyalty of staff at all levels. The Treasury and the Management and Personnel Office would be tackling the different aspects of the problem.

c. The report (paras 5.36 and 5.37 and recommendation 5.77(g)) had proposed no change in the practice of not recording on the personal files of staff whether or not they took industrial action. It was however important that this consideration should be borne in mind in

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considering candidates for promotion, at any rate to posts with managerial responsibilities. On the other hand the settlement of the 1981 dispute, like most settlements of disputes, included a "no victimisation" clause. This issue needed to be looked at further; the best course might be to ensure that the personal files of those who had performed particularly well during an industrial dispute should be noted appropriately.

The Prime Minister, summing up the discussion, said that the MISC 65 report was generally endorsed and in particular the recommendations on morale and communications in part 3 (which were in part already being implemented), the recommendations on organisation in part 4, the recommendations in part 5 for further action on the discontinuance of "check-off" facilities, the taxation of strike pay, management ballots, and clarifying the obligations of managers, and the recommendations in part 6 about the review of departmental contingency plans. The Treasury, in consultation with the Management and Personnel Office, should re-examine the case for including in personal files information about whether an individual had taken industrial action, or had performed particularly well during an industrial dispute. Ministers would need to look again at the case for legislation to permit the lay-off without pay of those who were without work because of industrial action.

The meeting -

1. Invited the Chancellor of the Exchequer, in consultation with other Ministers as necessary, to arrange for the implementation of the proposals in the MISC 65 report, in the light of the Prime Minister's summing up.
2. Invited the Secretary of State for Employment to circulate a paper reviewing the case for legislation on lay-off without pay in the event of industrial action, (to apply generally, and not to the Civil Service alone), and explaining the detailed scope of the draft legislation prepared in 1981.

2 March 1982