

CEBG



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Tony Newton Esq OBE MP
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Prime Minister ²
You will remember that
the contract has been awarded
now to a firm which pays
TGWU rates.

DFW
13/6.

13 June 1986

We really must follow
up this dreadful case - can
we have a response
possible early to prevent
future

Dear Tony,

I was grateful to receive your letter of 10 June about the
dispute at Huyton local office and to be kept informed about
the course of events and the action upon which you have now
decided.

In implementing and presenting your decision to award a new
cleaning contract you will be aware, I am sure, of the need to
consider the position of the smaller concern to which your
fourth paragraph refers. Normally these circumstances could
give rise to legal action by the firm under the Employment Act
1982 (s.13), claiming that the other party had determined not
to contract with them on the grounds that they did not
recognise, negotiate or consult with one or more trade unions.
Fortunately for your Department this provision is relatively
little known and does not bind the Crown. It would be
unfortunate if we were clearly seen to fall short of the
standards we have set for others.

I am sure you will also seek to avoid underlining the success
which this outcome represents for the TGWU against our normal
contracting out policy.

I am copying this letter to recipients of yours.

* in fact not, both because
of Crown immunity and
because anyway the smaller firm, which
did not pay TGWU rates, had not in fact
put in a tender. KENNETH CLARKE
But the potential political problem is still there.

ECON P02

PRIVATISATION

PT 13

