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file 116

10 DOWNING STREET

From the Private Secretary

SIR JOHN HUNT

INDUSTRIAL RELATIONS IN THE CIVIL SERVICE

The Prime Minister has considered your minute of 17 September, and has agreed your proposals on the setting up of a Ministerial Committee "to consider industrial relations questions in the Civil Service", supported by a group of officials.

I understand that it is your intention that the Committee should consider the question of laying off non-industrial Civil Service staff without pay. The Prime Minister is quite content with this, even though the membership of the Committee will be slightly different from the group which she suggested should look at this question at the small meeting of Ministers last Wednesday.

The Prime Minister has also asked that the new Committee should consider the Government's overall strategy in relation to Civil Service disputes, as recommended by the Secretary of State for Social Services in his minute of 12 September. In addition, she would like the Committee to consider the specific dispute at the Child Benefit Centre in Newcastle.

T. P. LANKESTER

18 September 1979

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Prime Minister

Agree John Hunt's proposals? (The new

Committee, chaired by Lord Seames, will have virtually the same membership as the ad hoc group which you asked to look at lay-offs in the civil service. The Committee should therefore look at this issue).

Ref. A0242

MR. LANKESTER

Agreed

Industrial Relations in the Civil Service

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In your minute of 13th September you asked for my advice on the Lord President's proposal that consideration be given to the setting up of a Ministerial Committee, supported by an Official Committee, which would consider how the Government should respond in individual cases to Civil Service disruption.

2. I am clear that recent events (notably the DHSS and Newcastle Child Benefit centre case) have shown that there is a gap in our collective arrangements in this field.

3. At present:

- (i) Such pay questions, whether in the public or in the private sector, as require collective consideration come to the Sub-Committee on Economic Affairs (E(EA)) under Sir Keith Joseph's chairmanship.
- (ii) Where an industrial relations situation, again whether in the public or in the private sector, threatens, or seems likely to threaten, "the supplies and services essential to the life of the community", the Civil Contingencies Unit (CCU) is responsible for preparing, considering and supervising contingency plans to meet the emergency. CCU is chaired by the Home Secretary, although it also meets at official level under its Deputy Chairman, Mr. Wade-Gery.
- (iii) The Civil Service Department has an overall responsibility for management within the Civil Service, and gives general guidance to Departments on how to deal with particular situations.

4. As the Lord President said at the Prime Minister's meeting on Wednesday it is virtually certain that there will be extensive industrial action taken by the Civil Service unions this winter, over cuts as well as pay matters. The unions are nationally organised and will pick their targets carefully to achieve maximum disruption with minimum inconvenience to themselves. The



extent to which we are dependent on e.g. computers makes this all too easy. The Civil Service is not managed centrally - each Department is responsible for its own staff and different Ministers will be in the lead on different occasions. It is essential that the management response should be consistent. There are also general questions which apply across the board e.g. the point about the legal position with regard to the laying-off of non-industrial staff which the Prime Minister has already asked Lord Soames and a few senior colleagues to consider.

5. CCU, which, as stated above, is primarily concerned with the preparation and carrying into effect of action to preserve supplies and services essential to the life of the community at large including the use of the Armed Services, is not the right body to take on this role. Nor is E(EA) which deals with pay matters. The problems we now face are those of the management of the Government's own employees and of the action which Civil Service management can take to protect its interests. This is, oddly, a relatively new field for Government and what I think we need are arrangements:-

- (i) To enable the tactical handling of individual disputes to be considered collectively by Ministers both to ensure consistency and that each Minister knows that he is operating in a particular situation with the full backing of his colleagues.
- (ii) To ensure that Ministers know in advance which are the likely trouble-spots within the Civil Service.
- (iii) To ensure that the contingency planning that can be done in these areas to keep disruption to a minimum is in hand.

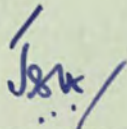
6. This could best be done by a small Ministerial team, drawn primarily from the major Departmental employers, backed up by a group of officials. The Ministerial team might comprise:

Lord President
Secretary of State for Defence
Secretary of State for Employment
Secretary of State for Scotland
Secretary of State for Social Services
Financial Secretary, Treasury (both the Chancellor and the Chief Secretary will be heavily engaged on other matters e.g. public expenditure)

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I think it is important to keep the core of this team small but other Ministers (e.g. the Attorney General and Ministers whose Departments are involved in particular cases) would be brought in as appropriate. It is, I think, right that the group should be chaired by the Lord President given the CSD's general management responsibilities. It could be a Sub-Committee of your Economy & Strategy Committee, to whom major issues could be brought, and would be serviced by the Cabinet Office. Its terms of reference might be "To consider industrial relations questions in the Civil Service". The official group would need to be larger and be drawn from the Departments mainly concerned so that it could undertake the initial work under paragraph 5(ii) and (iii) above. Normally it should meet under the chairmanship of a CSD Deputy Secretary, but the individual concerned will be in hospital for the next few weeks and the CSD have asked if the Cabinet Office would provide a Chairman (Mr. Le Cheminant) for the time being. This official group would have a joint Cabinet Office/CSD Secretaryship. The fact that both Ministerial and official groups would have a Cabinet Office Secretary should enable us to ensure that there was no wire-crossing between the new groups and E(EA) which would still consider specific pay questions or with CCU which might need to be involved if e.g. troops had to be brought in to maintain essential services to the public.

7. I have discussed these proposals with Sir Ian Bancroft, who agrees with them and is satisfied that they would meet the Lord President's wishes. If the Prime Minister agrees, we will set up these Committees straightaway.


JOHN HUNT

17th September, 1979