



2

SECRET AND PERSONAL

Qa 05824

To: MR SCHOLAR

From: J R IBBS

10 February 1982

Coal and the Railways

1. The attached note has been prepared by the CPRS on how the ASLEF membership might be induced to agree to the productivity improvements sought by the Railways Board. This is in response to item v. of your letter dated 9 February to Julian West.
2. I am sending a copy of this minute, and of the attachment, to Sir Robert Armstrong.

Att

SECRET AND PERSONAL

SECRET

THE ASLEF DISPUTE

Ways of inducing the ASLEF membership to accept the
British Rail Productivity Proposals

1. It appears that the ASLEF Executive is determined to stand out against the introduction of flexible rostering. The members of the union, a large majority of whom are probably inherently moderate, are at present firmly behind the Executive. Progress is likely to depend on changing the attitude of these members so that they cease to be willing to follow the intransigent lead. The Annex contains a summary of what is known about current attitudes of ASLEF members, together with some facts about the union and other aspects of the dispute.

2. Basically there are five ways by which a change of attitudes might be brought about. In practice some combination of these is likely to be needed.

(i) Financial pressure through loss of earnings. This can be achieved slowly as at present or more rapidly by closing down the railways and so cutting off wages entirely.

(ii) Causing them to fear that damage to the railways will result in permanent loss of jobs.

(iii) Persuading them that the changes proposed are reasonable and that the terms are fair.

(iv) Offering a package that makes the introduction of flexible rostering and other productivity improvements financially more attractive to them.

(v) Getting the TUC and other railway unions to persuade them to accept the change.

Each of these options is discussed below against the background of the facts, and attitudes set out in the Annex.

SECRET

Financial Pressure

3. ASLEF members are already suffering financial loss as a result of their present industrial action, although the effect of this is mitigated by their supplementary earnings and those of their wives. However, it is reported that local ballots have been 80/20 against an all out strike. They are also believed not to be concerned about loss of jobs or threat to the industry.

Creating Fear about damage to the industry and loss of jobs

4. ASLEF members might be willing to accept the BR proposals if they were persuaded that their action was irreparably damaging the railway industry and hence prejudicing future job prospects. The BR Board have already started a programme of discussions with their unions to demonstrate the financial effects on the industry, but ASLEF have not attended and there must be doubt if their members are getting the message. It is likely that few ASLEF members believe there is any threat to job prospects. It may take a dramatic move, such as the removal of a major business contract, e.g. newspapers, to break their complacency.

Persuasion that changes proposed are fair

5. No effective steps appear to have been taken to explain the flexible rostering proposals and to establish that the changes would be fair. Communications between the BR management and the ASLEF membership (as distinct from the Executive) have been extremely poor. There is reason to believe that many drivers know of the proposals only through union channels. BR have belatedly started to try and explain their case and believe they are beginning to make some impact. However, because BR start from a poor position, further time and effort is needed to get the message properly across, together with that of 4. above.

An Attractive Package that absorbs flexible rostering

6. It may well be that a 3 per cent pay increase appears to ASLEF members to be ⁱⁿadequate compensation for the changes in working patterns, and possibly in overtime earnings, that flexible rostering would bring about. Some wider productivity deal which included flexible rostering and offered a better financial benefit might be saleable. This would have the advantage of moving away from the specific issue on which

SECRET

stalemate has been reached. It would however be necessary to avoid leaving the NUR and TSSA in a position of relative disadvantage, and some new deal would probably have to be struck with them.

7. A further consideration is the level of compensation for any job loss that results from flexible rostering and other productivity changes. This could be mitigated by improvement of the BR redundancy arrangements. However, the BR scheme already pays well above statutory minima. The Department of Transport feel that the problem is not one of persuading men to leave, but centres on reducing the number of jobs, by negotiating out second manning and reducing the level of train services.

Persuasion by the TUC and other Rail Unions

8. The other rail unions have an obvious interest in persuading ASLEF to accept flexible rostering and to call off their industrial action. However, relations between the unions are not good. In some circumstances the TUC might exert influence on ASLEF. At present they support the ASLEF claim for 3 per cent but have been willing to press them to go to binding arbitration. But there must be growing concern on the impact of the dispute on the image of the Trades Unions and on the future of the railways. It is possible that the TUC could be persuaded to publicly back moves to end the dispute and exert moral pressure to induce ASLEF members to accept BR's offer, but on its own this is unlikely to be decisive.

The Way Ahead

9. The CPRS believes that no quick solution is likely. However, there is a need to minimise delay because of the risk of increasing unrest among commuters and the effect on coal stocks next Autumn.

10. A basic difficulty is that the members of ASLEF start with a sense of genuine grievance; they believe they have been unfairly denied the 3 per cent wage increase. The interdependence of the wage and productivity agreements last August was not made sufficiently clear, so that BR does not start now in a good position. The support of the NUR and TSSA is BR's main strength on this.

11. The difficulty is compounded by the fact that so far the dispute has been against a background of assumed non-bankruptability so prevalent in the public sector. ASLEF members do not believe that their

SECRET

action will seriously damage the railways. Part of the reason for this is that only recently has BR started to explain intensively the business implications of the dispute. Nor up to now have they effectively put over to the members what flexible rostering entails and that its implications are reasonable and fair.

12. To end a dispute of this kind some form of face-saving formula is usually needed as one of the ingredients for achieving a settlement - for example, the parties may agree to move on to new ground at this point. One possibility would be for the present problem of flexible rostering to be absorbed in some wider productivity deal. It would be important that this did not prejudice the agreement already reached with the other unions. As yet BR seem to have developed no ideas of this kind.

13. The possibility of obtaining a settlement through the TUC and other unions putting pressure on ASLEF does not look likely. One suggestion is that a situation might be created at which members of other unions, principally the NUR, took over the jobs of present ASLEF members as part of an overall 'new deal' for the railways so that the ASLEF influence was eliminated. It is extremely hard to conceive that the other rail unions and the TUC would countenance this.

Specific Steps

14. If the attitudes of ASLEF members are to be changed the following steps are necessary in addition to relying on the continuing effect of the loss of earnings from the current industrial action.

(a) BR need to mount an effective campaign to explain to ASLEF members:

(i) what flexible rostering entails for them and that its implications are reasonable and fair;

(ii) the business implications of the dispute, i.e. curtailment of the railway and reduction in jobs.

(b) BR need to explore what face-saving arrangement such as a wider productivity package can be devised for use at a crucial moment.

SECRET

15. The combined effect of better understanding and reduced earnings should increase the chance of a change in attitude. Depending on events it may be appropriate to increase the pressure by closing down the railway. This would cut off wages and bring home dramatically the message on business damage and jobs. The timing would obviously have to be carefully judged against the available power station endurance as well as the trend of ASLEF members' attitudes. The tactics of close-down, including such aspects as Government refusing further financial support, would need careful consideration.

16. To date, the Government has remained at arms' length from this dispute and it is desirable that it should continue to do so. It is impossible to handle industrial relations issues from afar and it is important to limit the damage if the outcome of the dispute were unsuccessful. Thus, decisions on the tactics of handling the dispute should be left as far as possible with the BR Board. However, BR's attention needs to be drawn to the items in paragraph 14, and the Government must be closely involved in key decisions such as close down.

SECRET

THE ASLEF DISPUTE: THE FACTS

1. This Annex assesses the attitudes and strength of feeling amongst ASLEF members and their officials and executive, and examines other facts relevant to the dispute, the Unions involved, and the BR proposals.

The Union

2. ASLEF is a small Union with a declared membership of 27,000 at end 1980. The Union represents the vast majority of BR's drivers, their assistants and trainees, about 24,000 in all, as well as about half of London Transport underground train drivers. Of BR drivers, only some 1,600 are members of the National Union of Railwaymen (NUR) but about 280 of these are thought to have dual membership with ASLEF.

3. The Union is tight-knit with a nine man executive, of whom only seven are active (one vacancy and one sick), representing nine district councils and two hundred and fifty branches. The General Secretary, Ray Buckton, is not a voting member of the executive. Executive committee members are elected for a three year term of office by a block voting system at district council level. The full time officials are also elected. The Executive Committee is left wing orientated, has the power to order industrial action including a strike, and any withdrawal of labour must have their consent. An annual assembly or 'special assembly' of delegates can also control industrial action.

ASLEF Membership in BR

4. ASLEF represents about 90 per cent of drivers. The drivers on BR have an elderly demographic profile since over 32 per cent are aged 55 or over and over 50 per cent are aged 50 or over.

Earnings and Financial Effect of Action

5. The drivers earn relatively good wages, with mileage bonuses and unsocial hours payments, although trainees and assistants, who represent about 25 per cent of ASLEF members in BR, earn less.

SECRET

6. Broadly speaking, drivers are losing about 40 per cent of normal pay at the current level of industrial action. Typical figures are:

| | <u>Gross</u> | <u>Take Home*</u> |
|---|--------------|-------------------|
| Normal average excluding Sunday | £134 | £94 |
| Normal average including Sunday (35% of drivers per week) | £172 | £119 |
| Estimated average for week with two strike days and no Sunday work | £84 | £62 |

This represents an average weekly net loss of £40.00.

About 70 per cent of drivers are weekly paid, but 30 per cent are four-weekly paid. For this latter group, the financial effect of the dispute was not felt until 5 February when, it is thought, they suffered a pay loss of about £160.

7. Although information is scant, many ASLEF members are thought to have some supplementary income, and many probably have working wives.

ASLEF Members' Attitudes

8. Very little is known about the attitudes of the individual members of ASLEF. Because of the nature of the work - driving trains away from depots - BR management has little daily contact with the membership. The drivers merely clock on and off at start and finish of the shift, and it appears that they enjoy considerable autonomy, e.g. to swop shifts etc. without management interference. It is only recently, after the breakdown of negotiations, that BR ^{have} made special attempts to communicate with the drivers in trying to put over the message about flexible rostering. Additionally, unlike the miners and steelworkers, ASLEF members live amongst the general community which (London commuters apart) is not greatly affected by the strike and cannot be relied on to put pressure on them. Their distribution right across the country and their working pattern makes it difficult to sound out their views through opinion polls, etc.

9. From the little that is known about ASLEF members' attitudes, it does appear that they are solidly behind their leadership and wholly

* 'Take Home' pay is after tax, national insurance and pensions calculations. Many staff have other voluntary reductions.

SECRET

persuaded that BR has reneged on the agreement to pay the disputed 3 per cent increase. The best assessment by BR management is that their primary worry is about their current financial loss, and the threat of losing advantageous working practices such as shift switching. The possibility of jobs losses does not appear to concern them, nor does the financial damage to railways; nor do they mind ASLEF's isolation. Their attitude is one of considerable loyalty to their leadership.

10. However, the ASLEF membership are at present conducting the dispute on a fairly low key basis. There has been little random disruption and little evidence of awkward tactics or non-co-operation with management on working days, e.g. leaving trains in the wrong place. BR report that resolutions received by the ASLEF executive from branches show votes of 80/20 against an all out strike.

ASLEF Leadership and Officials' Attitudes

11. The left wing ASLEF leadership are solidly against the BR stance and voted by only 4 to 3 against an all out strike. There is no evidence of dissension at lower levels among officials of the Union. The districts are believed to vary in their attitudes, the Midlands being felt to be more moderate than say Scotland. The only open opposition to the strike is from a few well known maverick members.

Trades Union Relationships

12. BR operate a closed shop for all staff other than management and senior officers. This is strictly enforced. Under TUC auspices, a Railway Federation of Unions was formed last year. This has two parties, NUR and ASLEF (TSSA decided against joining). One of the most important features of this co-operation is an agreement designed to end poaching and competition for members in BR. The NUR is no longer to recruit 'staff within the existing line of promotion to train driver' and is to encourage NUR members entering this line of promotion to transfer to ASLEF. Thus, effectively the existence of the NUR driver may die out, with the agreement of the NUR.

13. Although the Railway Federation of Unions was formed last year, relations between the NUR and ASLEF are not, and never have been, good.

SECRET

ASLEF has a close association with the TGWU and appears in the current dispute to have public backing from the TUC.

14. The relationship of unions affiliated to the TUC on organisation and membership issues is governed by recommendations adopted at the Bridlington Congress in 1939 ("the Bridlington Agreement"). These provide that there should be agreements between unions on 'spheres of influence' and transfers of members; that no member of an affiliated union should be accepted into membership of another without inquiry and if the first union objects; and that no union 'shall commence organising.... in respect of any grade of workers.... in which another union has the majority of workers employed and negotiates wages and conditions, unless by arrangement with that union'. The TUC's rules provide for a mandatory inquiry into any dispute between unions on such issues and for the suspension and finally expulsion of any union which does not observe the TUC's findings. [NASD was the last union to be expelled, although recently, by Congress resolution, the TGWU was momentarily suspended on a complaint by NALHM!] There can be little doubt that the TUC would rule against the NUR if it recruited ASLEF members or sought to extend its organisation of train drivers employed by BR. In any case, it is highly improbable that Sid Weighell could be persuaded to do so and, even if he were, that the NUR Executive which has become fairly left wing would agree to be party to the destruction of another union.

Redundancy arrangements

15. BR already has a redundancy scheme which, whilst not as generous as the coal and steel schemes, pays substantially above the statutory minima. In the first 36 weeks of 1981, some 3,335 BR employees took redundancy at a cost of £18m. Maximum payment under the scheme is £20,000 and the average payment is £6,000. However, the basic problem is not one of persuading BR drivers to leave, but is one of actually reducing the number of jobs. This reduction depends on the negotiations to change rostering rules and train manning agreements, etc., as well as on changes that will reduce the number of trains being run. In any event, given the age profile of the ASLEF membership, natural wastage will reduce driver numbers fairly rapidly over the next few years unless there is a significant increase in the number of new recruits.

SECRET

The impact on ASLEF members of the BR proposals for flexible rostering

16. BR has estimated that all the changes in working practices at stake in the present negotiation will by 1985 cut out 4,500 jobs (all staff not just drivers), and 7,000 ultimately. BR forecast that, from all the changes they seek - working practices and others - the number of footplate jobs will reduce by 4,000 by 1985. These figures imply that the expected loss of jobs falls much more heavily on ASLEF than the other unions. BR has not given a separate estimate of job reduction through flexible rostering on its own, though the Department of Transport estimate that the numbers lie between 1,000 and 1,500. BR claim that flexible rostering would allow the change to a 39 hour week without extra cost and they have told the union this. It has not been possible to obtain an estimate of any effect on earnings likely from flexible rostering.

17. The changes in working practices envisaged at the time of the August 1981 understanding at ACAS were:

← | flexible rostering | →
manning of freight trains
manning of suburban passenger trains
manning of locomotives
'train man' concept
open stations.