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DEPARTMENT OF TRANSPORT
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Prime Minister

Much good Questions
material here.

Michael Scholar Esq
Private Secretary to
the Prime Minister
10 Downing Street
LONDON
SW1

5 July 1982

MUS 5/7

Dear Michael,

ASLEF DISPUTE

I attach a briefing note taking us up to 18.00 this evening. BR will be taking decisions on what they do next towards the middle of this week. I will keep you informed.

I am copying this to the Private Secretaries of the other members of Cabinet including the Chief Whip and to the Private Secretaries of Mr Sparrow and Sir Robert Armstrong.

Yours,

Anthony Mayer

R A J MAYER
Private Secretary

BRIEFING NOTE ON ASLEF STRIKE

5 JULY

1. What is the strike all about?

BR want ASLEF to work shifts with flexible hours, between 7 and 9 hours. This requirement is part of a package of 6 productivity changes, for which a 3% supplement was paid in the 1981/82 pay deal. ASLEF refuse to work these "flexible rosters". They are striking against BR's threat to send men home after 5 July if they refuse to do so. Annex "A" describes the events leading up to the dispute.

2. Why is the dispute over flexible rosters important enough to justify a major strike?

Until ASLEF agree to work flexible rosters, no progress can be made on two more of the 6 productivity points covered in the 1981/82 pay deal. These are easement of manning conditions and introduction of the "trainman" concept. Full implementation of these three productivity points alone could save BR about £35½m in a year. But that is only part of the story. Over the next few years, the introduction of new technology (e.g. new signal and communications equipment, automatic ticket revenue collection, automatic shunting systems) will change working practices profoundly. If BR fall at the very first productivity hurdle, the chances of proceeding to a modern efficient railway are minimal. The plain fact is that the left wing dominated ASLEF executive, possibly with wider considerations in mind, have dug their heels in on a bogus issue of principle and seem more concerned to keep the union as a power base for left wing politics than the wellbeing of their members.

3. Shouldn't BR have accepted ASLEF's "compromise offer"?

The ASLEF compromise offer of 1 July was a sham. It boiled down to yet more talks, with no guarantee at all of BR being able to make progress. As Sir Peter Parker said it was "one fudge too far". Time has run out. The dispute over flexible rostering has been going on for nearly a year. BR have lost £80m over the 17 one day strikes earlier this year. ASLEF have taken the 3% pay supplement without honouring their side of the bargain. They have accepted arbitration by Lord McCarthy and then ignored his findings. They have refused BR's final compromise offer of regional experiments. And without consulting their membership they have called an all out strike. It must now be resisted.

4. BR are just trying to smash ASLEF. Their attitude has hardened

This is not true. The BRB have done all they can to give ASLEF every chance to reach a reasonable settlement. The issue has dragged on for nearly a year and has been discussed and examined by the Railways formal negotiating machinery as well as an independent inquiry under Lord McCarthy. Even he came down in favour of flexible rosters. The Board will not tolerate any further delay. They have decided the time has come for a decision. That is a perfectly reasonable and justifiable business decision.

5. Isn't it unreasonable to impose flexible rosters on men who already work shifts starting as early as 05.00 in the morning, and finishing as late as 02.00 in the morning?

Working hours will not change significantly. Indeed, the Board have undertaken to ensure that is so. The "unsocial hours" worked will be less. There will be more rest days and the present 40 hour week will be reduced to 39 hours. But the proof of the pudding is in the eating. 80% of the guards at the back of the train are working flexible rostering. Drivers in every country in Europe bar one - Southern Ireland - work flexible rostering.

6. Government policy towards the Railways has led to this strike. Labour have been warning of this for some time

It is clear from the Government's record they want to see a healthy flourishing railway industry. The Government have played, are playing and will play their part. Support for the railways this year is £186m more in real terms than it was in the last full year of the previous Labour government. The taxpayer is paying over £2.3m a day to keep the railway running. Together with substantial investment this shows the depth of the Government's commitment. There is however no escaping the fact that the key to a successful future is modern working practices and better productivity. The Government fully supports the Board's struggle to achieve this.

7. The cause of all the current problems is lack of investment

This is simply not true. 10 major projects have been recently completed, are under construction or have been approved and another eight are in the pipeline. But unless the unions deliver on productivity the Government is not prepared to hand over taxpayers' money. The two go hand in hand. See Annex B.

LIST OF EVENTS 1981/82

PAY SETTLEMENT AND FLEXIBLE ROSTERING DISPUTE

During the 1980 pay negotiations for rail workers the BRB accepted a commitment to a reduction in the standard working week by an average one hour from November 1981. This was on the understanding productivity measures would be discussed to minimise the cost. Negotiations on pay for 1981 did not result in any agreement.

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| 13 April 1981 | Board offer 7% against claim for 13%. |
| 20 April 1981 | Settlement date for 1981 pay offer. |
| 30 April 1981 | Issue referred unilaterally by unions to Railways National Staff Tribunal (RSNT) - non binding. |
| 16 July 1981 | RSNT recommends that 8% should be paid from 20 April 1981 with an additional 3% to be paid from 1 August 1981. BR agrees to pay 8% increase, but insist that additional 3% be funded by six productivity improvements. One of the six is flexible rostering. |
| August 1981 | No agreement reached between Board and Rail Unions on pay and how the RSNT recommendations are to be funded. Industrial action threatened. Discussions at ACAS result in two parallel understandings signed by all the parties. One on productivity committed parties to complete discussions by given dates on the six productivity issues. The second related to pay and awarded 8% from 1 April 1981 with an additional 3% from January 1982 backdated to August to be funded by the six productivity improvements. |
| 31 October 1981 | Target date for agreement on flexible rostering. |

30 November 1981

ASLEF state not prepared to accept flexible rostering. BR indicate that it will not pay the 3% supplement without ASLEF commitment to flexible rostering.

December 1981

NUR accept detailed agreement on flexible rostering for guards. No agreement from ASLEF on flexible rostering. BRB writes to ASLEF saying they will not pay the 3% supplement. TSSA and NUR get 3% supplement.

January/February 1982

ASLEF embark on a series of one-day strikes. Further talks at ACAS fail to resolve dispute. ACAS set up a Committee of Inquiry under Lord McCarthy (with same three man membership as RSNT). ASLEF refuse to attend.

16 February 1982

McCarthy Inquiry publishes report

- i. BR to pay 3% supplement to ASLEF
- ii. ASLEF to confirm continued commitment to August 1981 productivity understanding (which covered flexible rostering). ASLEF to halt strikes
- iii. further talks on flexible rostering through normal negotiating machinery. If no agreement then the issue should be referred to RSNT.

March 1982

BR pay 3% supplement to ASLEF, backdated to August 1981. But no agreement on flexible rostering. Parties refer issue to RSNT on a non-binding basis.

7 May 1982

RSNT reports and finds for the Board. Suggests ASLEF should accept flexible rostering but with 13 safeguards. ASLEF rejects findings as unworkable.

28 May 1982

Board tell ASLEF that they will be issuing flexible rosters for discussion and comments at depots for introduction from 5 July.

24 June 1982

*letter from Mr Willwork,
Mr Rose's deputy, to all 4
unions.*

BRB offers new arrangements for introducing flexible rosters involving single manning of up to nine hours in a limited geographical area (Scotland) for a trial period, on lines recommended by the McCarthy award, plus a parallel trial of ASLEF proposals for staff and other savings in another area. BRB at the same time tell ASLEF that if they do not agree by 29 June, then flexible rosters will be posted in 31 depots for working on 5 July and in other depots progressively thereafter.

29 June 1982

ASLEF calls indefinite strike from midnight Saturday 3 July.

30 June 1982

ASLEF executive consider parallel trials proposal and Len Murray intervenes to try to avert the strike but prolonged talks with ASLEF are inconclusive.

1 July 1982

General Secretary of ASLEF offers to withdraw strike demand if BRB withdraws intention to implement flexible rosters. BRB refuse. Board's position is:

- i. strike threat must be lifted;
- ii. ASLEF must accept RSNT recommendation that flexible rostering should be introduced and get a positive agreement from their delegate conference;
- iii. only after (i) and (ii) are talks possible on how rosters are to be introduced.

2 July 1982

Secretary of State for Transport urges train drivers to call off strike saying it would be most pointless stoppage for half a century. ASLEF's first requirement must be to call off strike and agree introduction of flexible rostering.

4 July 1982

Strike begins. BR are able to operate some services.

INVESTMENT IN BR

Projects recently completed/nearing completion

<u>Project</u>	<u>Cost</u>	<u>Comment</u>
1. 95 High Speed Diesel Trains	£200m	First entered service 1976, last 2 sets to be delivered in July 1982
2. St Pancras/Bedford electrification track and signalling works	£150m (1981 prices)	Work started in 1976 and is almost complete. Only disagreement over manning holding up new electric service between Moorgate and Bedford
3. 4 multi-purpose ferries for Sealink	£60m (1980 prices)	
4. 5 year rolling programmes for freight locos and wagons	About £50m per year at current prices	Authorised up to 25 locos and 1,550 wagons per year over period 1978-82

Other projects under construction or approved

5. West of England resignalling		Resignalling and track rationalisation between Westbury (Wilts) and Totnes (Devon). Cost £28m (1979 prices). Approved in 1981 and due for completion in 1987
6. Brighton line resignalling		Resignalling 282 track miles on the London-Brighton line and branches; cost £45m (1978 prices). Approved March 1979. Bulk of project in operation 1984
7. EMU rolling programme		5 year programme approved March 1979. Currently building about 200 vehicles per year. Cost £40m per annum

8. 210 sleeping cars

Approved April 1979.
First deliveries January
1982. Cost £25.5m (1982
prices). Services
progressively converted
to new sleepers as
delivery proceeds

9. Isle of Wight car-
ferry investment

Submission for £15½m
approved December 1979.
Two new ferries enter
service next year

10. Anglia electrification

Colchester to Harwich,
Ipswich and Norwich.
Approved December 1981
at a cost of nearly £30m.
Work on the electrification
cannot start until 1984
because essential track
rationalisation and re-
signalling work must be
done first. This is
under way

10 Year programme of electrification

11. Electrification of
some 3,800 single track
miles of main line

Awaiting Board's
proposed programme

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cc Mr. Mount
Mr. Scholar

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✓ Transport

R. VEREKER

BRITISH RAILWAYS: ASLEF
MEMORANDUM BY SECRETARY OF STATE FOR TRANSPORT (MISC 80(82)3)

I doubt if I can be much help on this because I know little or nothing about the intricacies of language used in personnel relations. But these are my comments on the points.

i. This hinges on whether BRB will send the NUR members home so that they can save paying their wages. They appear to think that the Board will decide to send their NUR members home. The argument will be that the NUR Executive instructed its members not to cross picket lines. But supposing the members do, and in considerable number. This seems at least a possibility worth considering, and I suspect it may be the real life outcome. But of course NUR members will cross picket lines if they think that by doing so they will not be sent home and will be paid. The Board should surely operate the rule that if people turn up for work and there is work for them, then they should be paid. Secondly, if they turn up for work and cross picket lines, then I think it would be a good idea (even though there is no work) to pay them, pour encourager les autres. Of course one might wish to say that after a due delay those who cross the picket lines, where there is no work for them, will have to be sent home without pay. But the note by officials does not seem to address these issues.

ii. Arbitration arrangements.

I think we all agree that arbitration is generally awful and merely results in creeping Cleggerly. I am even more concerned that the view of officials is that BRB believes that arbitration has benefited management at least as much as the unions. Indeed it has. We all remember the famous Guillebaud's Award when it was argued that a Government that had "willed the ends must will the means" - that is to say Government must pay up. Railways, management and unions, win. The public lose.

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Surely the fact that option (e) denying unilateral action to arbitration would be hotly opposed, both by the unions and probably by the Board (although the departmental memorandum doesn't mention that), is a good indication that this would be a sound option. Surely we all believe in voluntarism and I cannot see any strike threat developing because of the introduction of voluntarism into arbitration.

iii. Temporary train drivers.

The Board's view is that NUR would not be prepared to cooperate with new drivers, but that presumably applies only to the NUR Executive. Supposing the option were put that: the NUR members were sent home without pay, or they could attend for work with new drivers. I am sure the NUR Executive would have to do some face-saving operation, but surely the prospect of work with new drivers rather than no work with principles of solidarity etc is one that needs exploring. Officials seem to dismiss this out of hand.

5 July 1982



ALAN WALTERS

SECRET