



DEPARTMENT OF HEALTH & SOCIAL SECURITY

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From the Secretary of State for Social Services

The Rt Hon Nigel Lawson MP
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15 June 1984

INDUSTRIAL ACTION - NEWCASTLE CENTRAL OFFICE

In the uprating statement on Monday 18 June I shall mention, albeit briefly, the fact that the completion of the uprating programme could be jeopardised if industrial action which is currently being taken at the computer installation at Newcastle Central Office continues much longer. If I am pressed on this point I shall say that I am considering what action is needed to bring about a resolution of the dispute. I am taking this opportunity to advise you and other colleagues of the steps we propose to take.

The dispute is now entering its sixth week and during this time we have kept our options open in the hope that the unions would return to the negotiating table. This has not happened and we now consider that management should take some positive steps towards a conclusion. The dispute is beginning to have an effect on the service we provide to the public. I will stress that we are taking action now in order to limit the risk to the uprating programme and to restore the service to pensioners and contributors.

Next week, therefore, we propose to try and restore a limited service from the Newcastle computers. This will involve as a first step management transferring about 50 data processing staff (who at the moment, because of the dispute, have very little work to do) into the computer operations area. We anticipate this will result in an immediate reaction from the unions who can be expected to accuse us of strike breaking. They may attempt to escalate the dispute, perhaps by trying to bring the Washington Child Benefit computer staff out on strike. They may also seek to involve the

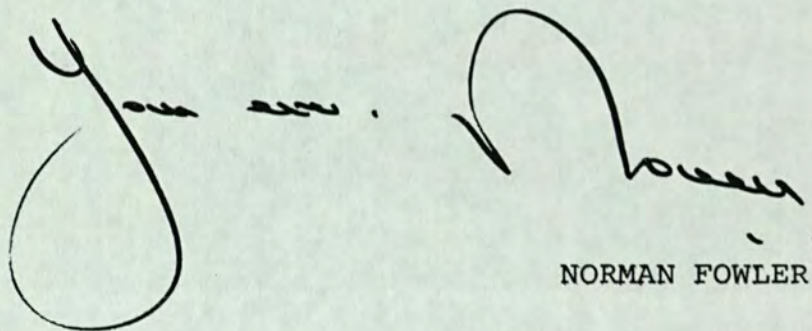
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other computer installations at Reading and Livingston in some sympathetic strike action but this is likely to be limited to a token gesture. Action on a wider front - affecting local offices - will probably not be sought but in any event substantial support there is unlikely.

Despite the obvious risks, I am satisfied that it is worth restoring a limited service in the affected computer areas. The alternative, inaction, would be impossible to defend since it would result in a progressively deteriorating service to pensioners and a growing danger to the uprating programme.

I would also like to remind colleagues that we still have one serious handicap in disputes of this kind - our inability to lay off staff rendered idle by the industrial action of others. The timing never seems right to grasp this nettle but I do think we should consider the issue again.

I am copying this to the Prime Minister, members of E(PSP) and to Sir Robert Armstrong.

A handwritten signature in black ink, appearing to read 'Norman Fowler', is written over a faint, larger signature that is mostly illegible. The signature is written in a cursive style with a large loop at the end.

NORMAN FOWLER

15 JUN 1984

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