



CONFIDENTIAL

NBPN

CCBG

P 02268

From: J B UNWIN
7 October 1986

MR NORGROVE - No 10

cc Mr Stark
Mr Wiggins

MEASURES TO ALLEVIATE THE EFFECTS OF MAJOR REDUNDANCIES

The Paymaster General's letter of 25 September to the Chief Secretary, copied to the other members of E(A), covers a note by officials on the above subject. In brief, it suggests setting up an official group, chaired by the Department of Employment, to advise Ministers, on a case by case basis, whether in particular circumstances a special package might be justified to alleviate the effect of redundancies.

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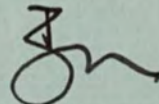
2. Although there may be some squabbling over the precise terms of reference of the proposed group, and the extent to which there should be any presumption about new resources or variations in existing job creation and regional schemes, I would expect general agreement in E(A) to the Paymaster General's proposals. Although they are modest and bureaucratic in form, at least they would establish machinery, within a sensible framework, capable of giving rapid and informed advice to Ministers in future cases where major redundancies are likely to be involved. You will recall that the exercise stemmed from the Cabinet Office study of the shipbuilding industry earlier this summer, and in particular from the exercise we had to coordinate at very short notice to respond to the redundancies declared by British Shipbuilders. These new proposals should at least help to ensure that the Government's response is better prepared in any such cases in the future.

3. Unless any really substantial objections are raised by other Ministers, I see no need for discussion in E(A). If, however, the Prime Minister is broadly content with the proposals, she may wish to consider commenting as follows:-



- subject to the views of colleagues, she is generally content with the machinery proposed, on the understanding that specific decisions would need to be taken by Ministers on a case by case basis;
- although the possibility of additional resources in particular cases cannot be ruled out, she believes that it would be right to approach the exercise on the basis of diverting existing resources;
- it is important also that the Ministry of Defence should be embraced in these arrangements and she assumes that steps will be taken to ensure this.

4. The last point is important, particularly in relation to shipbuilding, and I will in any case ensure that it is made to the Department of Employment and others concerned. The Ministry of Defence were not represented on the Official Group that produced this report, and the Paymaster General's letter has not gone to the Defence Secretary, who is not a member of E(A).



J B UNWIN

MANPOWER SGMS PT14

