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## 10 DOWNING STREET

From the Private Secretary

7 May 1986

Dear Stephen,

## PRISON OFFICERS DISPUTE

The Prime Minister this afternoon held a meeting to discuss the prison officers dispute. The Lord President, the Home Secretary, the Lord Privy Seal, the Northern Ireland Secretary, the Employment Secretary, the Chief Secretary, the Attorney General, the Chief Whip, Mr. Stanley, (the Minister of State for the Armed Forces), Lord Glenarthur, Mr. MacKay (Minister for Home Affairs, Scotland), and Mr. Unwin (Cabinet Office) were present. The meeting had before it the Home Secretary's note sent with your letter to me of 6 May and Mr. Unwin's minute to the Prime Minister also of 6 May.

The Home Secretary said that according to their own interpretation of their rules, the Prison Officers' Association would need a ballot to lift their threat of further industrial action. Sir Brian Cubbon was holding procedural talks with the prison officers. An amplification of the Home Secretary's letter to the prison officers of 22 April was being prepared, which would be intended to provide a basis for the POA executive to go back to their members. There was a risk that this tactic might not work, and the Home Secretary felt it would be worth continuing to prepare proposals for an enquiry which would be intended to reinforce the case for change in work practices.

The Home Secretary said that a report had been prepared by PA management consultants and the prison service, though with no input from the Prison Officers' Association. This estimated that inefficiencies added 15-20 per cent to costs. The benefits of eliminating those inefficiencies would undoubtedly need to be shared with the prison officers to some extent and the split between higher basic pay for them and savings in expenditure would need to be discussed with the Treasury, who were responsible for pay negotiations with the prison officers.

In discussion it was argued that there would be dangers in holding a further enquiry, including in particular the risk of repercussions elsewhere in the public sector. It was agreed to defer any decision to establish an independent enquiry until the results of current negotiations were clearer.

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CONFIDENTIAL - 2 -The following conclusions were reached on other points raised in the Home Secretary's minute: the meeting noted that Rollestone Camp was now (i) physically prepared to receive prisoners within about 24 hours. It was agreed that further physical preparations to make a second camp ready to receive prisoners could be deferred until required; emergency legislation should be kept in readiness; (ii) the Home Secretary should not at this stage proceed (iii) against the POA for inducing a breach of contract; there would be serious risks in undertaking an action of that kind, but preparations should be made to allow it to be brought at very short notice if Ministers so decided; the proposal possibly to stop the automatic (iv) deduction from pay of POA members' subscriptions (the "check-off facility") would look petty and should not be pursued; the Home Office should complete all contingency (v) planning and ensure fully adequate arrangements for bringing the police into prisons. The Prime Minister, concluding the discussion, invited the Home Office to continue talks with the Prison Officers' Association with a view to resuming substantive discussions, though noting that the holding of the Association's annual conference on 20 May might cause them to wish to spin out the procedural talks. I am copying this letter to the Private Secretaries to the Lord President, the Home Secretary, the Lord Privy seal, the Northern Ireland Secretary, the Employment Secretary, the Chief Secretary, the Attorney General, the Chief Whip, Mr. Stanley (Ministry of Defence), Lord Glenarthur (Home Office) and to Mr. Unwin (Cabinet Office), Mr. MacKay (Scottish Office) and Michael Stark (Cabinet Office). (David Norgrove) Stephen Boys Smith, Esq., Home Office. CONFIDENTIAL