

MR SCHOLAR

2 February 1983

cc Mr Mount

FORWARD LOOK AT INDUSTRIAL RELATIONS TROUBLE SPOTS

You asked for a short note setting out possible industrial relations trouble spots between now and the Summer recess, ie until the end of this pay round.

I attach a list of the main public sector groups which still have to settle their pay, together with their settlement dates and a brief description of the prospects. There are three general points I would like to make:

(i) The outcome of the current water strike is crucial. Mr Basnett has made no secret of his desire to make trouble in all the industries where the G & M is represented, which includes gas and electricity, and if he thinks he has the Government on the run in water he will want to play other negotiations much harder. Indeed, the way in which the water strike is settled has substantial implications across the board: if the water workers are seen by the local authority manuals to be getting much more than they have already been offered, we may well have trouble there, even though the present 4½% offer has been recommended by the union leadership;

(ii) Water workers apart, there are few other areas where industrial relations difficulties seem at present to be likely. If I had to put money on it, I would say that only British Rail of the main public sector employers is at all likely to have to face a strike this year - and even then, because of the intricate negotiating procedures, it won't come soon;

(iii) It is not possible to forecast with any degree of accuracy when negotiations are likely to come to a head in any particular industry. The settlement dates are given only as a guide, and settlements are frequently backdated.

CONFIDENTIAL

JOHN VEREKER

FORWARD LOOK AT INDUSTRIAL RELATIONS TROUBLE SPOTS1. Local Authority Manuals (settlement date, 4 November 1982)

Union negotiators have agreed to put the 4½% pay offer to their members for consideration, and it is likely to be accepted unless the local authority manuals see the water workers break loose.

2. Gas Appliance Manuals (settlement date, 16 January 1983)

BGC has offered about 4%, and the gas manuals expect to reach a settlement at about the level achieved by the miners, ie 6½%. If the water workers break loose, the gas manuals would certainly seek more - and are likely to get it.

3. Electricity Supply Manuals (settlement date, 17 March 1983)

Mr Lawson has just reported to his colleagues that the electricity council propose to make an opening offer this week of 4½%; thereafter both sides to the negotiations expect to follow the pattern of the gas manuals and the miners.

4. The Non-Industrial Civil Service (settlement date, 1 April 1983)

The Prime Minister is aware of the likely timing and size of the opening offer, and of my belief that industrial action in the Civil Service is unlikely this year.

5. Primary and Secondary School Teachers (settlement date, 1 April 1983)

Negotiations have not yet started, but there is no reason to suppose that they are anymore likely to end in industrial action than in previous years.

6. British Rail (settlement date, 20 April 1983)

The 6% settlement agreed for the last pay round, to run from 6 September 1982, has not yet been implemented due to a continuing

dispute over the delivery of the productivity conditions. The outlook for this year's negotiations is therefore unpromising, and the Serpell Report makes it clear how much can be saved through better working practices. BR will not be in a position to offer a no strings attached pay rise of the kind the unions will be seeking, and another bout of industrial action must remain a possibility this year. This however is unlikely to take place until the late Summer because of the various negotiating bodies through which disputes have to pass.

INDUSTRIAL RELATIONS ISSUES OTHER THAN PUBLIC SECTOR PAY

(i) Strikes in the Private Sector cannot be ruled out, but the Government does not at present have any machinery for monitoring Private Sector negotiations. With the oil tanker drivers and road haulage workers out of the way, I would not expect there to be problems in industries which could have a national effect.

(ii) The one non-pay issue which clearly carries a risk of industrial action is pit closures, on which the Prime Minister is of course fully briefed.

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