

PRIME MINISTER

cc Mr Mount  
Mr Ingham

WATER STRIKE MEETING

We must plan on the assumption, however devoutly we are hoping otherwise, that our arrangements for handling the water strike will need to stand the test of a considerable period of time. In particular, if we are to make the best use of your planned series of early morning meetings on the water strike - and it is not yet clear that either daily meetings, or meetings first thing in the morning, are the best arrangement - it is important that the discussion is disciplined and follows a regular pattern. We need to get the participants accustomed to the idea that they are each going to have to make a short report covering their responsibilities, so that the information that the meeting requires is produced quickly and efficiently. There will usually be only about thirty minutes available, and decisions may need to be made as well; you may want to consider after tomorrow's meeting whether you need to have Mr Heseltine and the three Regional Secretaries of State to each meeting.

I suggest therefore that it would be best to call upon the following, in rather brisk order, to report, and to consider after each report the questions I have indicated:

- (i) Mr King should report first on the physical effects of the strike, and should identify any problem areas. The Regional Secretaries of State, if present, can supplement him. There are this evening some indications of two Penzance-type problems in Wales, on which Mr Edwards will want to comment.

Is there any action that needs to be taken to mitigate effects?

(ii) Mr King should then report on the latest negotiating position, with particular reference tomorrow to today's discussions between ACAS and both the employers and the unions;

Has the time yet arrived when we should encourage the employers to seek arbitration?

(iii) Mr Tebbit should add any light he may be able to throw on ACAS' intentions, and in particular on their response to the message they were sent today suggesting that they were not playing fair in leaning upon the employers to make further concessions;

Should any further communication be sent to ACAS?

(iv) Mr Whitelaw should report on the preparations of the CCU for breakdowns in emergency cover; Mr Goodall may have something to add on the official level CCU discussions, which are taking place regularly each evening;

Is there any case for changing the notice periods of Service Assistance (the official CCU this evening stood down the Emergency Repair Teams from 3 hours to 6 hours to enable soldiers to return home at night)?

(v) Bernard Ingham should give his assessment of the presentation of the dispute in the morning papers and in the media generally.

Is there any particular point that needs to be got across that is not being got across?

Which Ministers are going to be available to the media over the immediately forthcoming period?

If you agree with this approach, (I have discussed it with Peter Gregson, who approves), and it works tomorrow, I think it would be worth circulating the guts of it as the group's regular agenda.

1 February 1983

*How much  
numm away?*

WATER PAY AND STRIKE

FACT SHEET

Q1. Number of workers in the industry in England, Wales and Northern Ireland (together), also Scotland (separate) in

A.	<u>England, Wales &amp; N Ireland</u>	<u>Scotland</u>
a. 1975	61,634	Not available
b. May 1979	66,482	6725
c. Dec 1982	61,863	Not available

Q2. Average wage in

A. a.	April 1975	£61.80	
b.	May 1979	£88.70	<i>54.3%.</i>
b.	April 1982	£136.90	<i>145. 64.5. ? 147.60</i>
RPI rise	April 1975 - April 1982 - 148%		
	April 1975 - December 1982 - 152%		

Q3. Number of people earning at the upper quartile level and what the upper quartile level is (~~£150~~)

*approx 25% of workers (7,300 have earnings above £150 and are therefore close to or above the upper quartile (£154.60 April 1982)*

Q4. Average pay for local authorities sewerage workers

A Local Authorities manual SCWU workers average weekly earnings:  
Precise information is not available but the average for the for groups in which sewer men will be above the average is:-

Skilled sewer man £114 (present offer (4½%) to £118)  
Specialists sewer men £124 ( " to £130)

NB LACSAB are most anxious that comparisons should not be made which could prejudice the current consultations on the local government 4½% offer.

5. Average Water Rates (England and Wales only)

Average domestic bill for all water services provided by water authorities

<u>Financial Year</u>	<u>Effective from</u>	<u>Average Bill</u>	
1975/76	April 1975	£ 27.44	<i>same?</i>
1979/80	April 1979	41.98	
1982/83	April 1982	66.94	<i>59.46%</i>

Q6 Total cost of the mediators' recommendations and total cost union claims

A a. Total cost of mediator's recommendations:-

7.3% + + 0.5% 7.8% on wagebill

b. Total use of Unions' claim is:-

approximately 20% of which 15% is related to the upper quartile issue.

Q7. Total Pay Bill: Total employer costs of directly employed water authorities staff

<u>Financial Year</u>	<u>Effective Year</u>	£
1975/76	April 1975	198m
1979/80	April 1979	366m
1982/83	April 1982	537m (Estimated Outturn)

Q8. Total expenditure by Water Authorities

	Revenue Expenditure		Capital Expenditure	
	Cash £	Real Terms	Cash £	Real Terms
1975/76	805m	N.A.	484m	1016m
1979/80	1522m	N.A.	539m	699m
1982/83	2130m*	N.A.	669m*	669

\*Estimated Outturns

9. Health Risks Associated with Water Strike

- a) Lack of potable supply - greatest risk.
- b) Gastro-enteritis - risk avoided by boiling or inappropriate disinfectants.
- c) Skin infection - if through long immersion in non-disinfected bath water.
- d) Poison - from inappropriate use of unsuitable or even toxic substances as disinfectants.
- e) Increased risk of lead pollution - where precautions to combat lead dissolving in water are made difficult.
- f) Polluted water - from reduced water pressure allowing ingress of pollutants through joints or increased accumulation of deposits in sewers and discharge into ground water.
- g) Smell - from sewage disposal works without adequate water.

MCS

BRIEFING NOTE: PAYMENT OF WATER BILLS IN THE EVENT OF INTERRUPTION OR FAILURE OF SUPPLIES

Unmeasured supplies (mainly domestic)

Under Section 39 of the 3rd Schedule to the Water Act 1945, statutory water undertakers have a duty to supply water for domestic purposes constantly and at a certain pressure. If they fail to do so, they are liable to a fine (without prejudice to their civil liability, if any, to a person aggrieved), except when prevented by frost, drought, unavoidable accident or other unavoidable cause or during the execution of necessary works. DOE legal advice is that the present water strike would fall within the "unavoidable cause" category.

The statutes make no provision for refunds by water undertakers if they fail to maintain a supply. It is doubtful whether they would be acting properly if they did make refunds, and they have not done so on previous occasions when supplies have been interrupted because of drought, frost, or other unavoidable cause.

Measured supplies (mainly industrial and commercial)

Measured supplies will always be the subject of an agreement between the water undertaker and the customer. Agreements normally provide for the payment of standing charges and a charge related to the metered volume. In the event of supply difficulties the volume related charge will only reflect supplies actually received. No question of refunds is likely to arise. Agreements normally also incorporate clauses which protect the water undertaker against any liability for damage or loss resulting from interruption or suspension of supplies in a wide variety of circumstances, including strikes.

Note: The term "water undertakers" includes water authorities and statutory water companies.

WFE Division (cleared with legal)

1 February 1983

MAJOR INDUSTRIAL DISPUTES

Water Services (E&W)(29,400 manual workers - GMBATU, NUPE, TGWU)

1. Workers in the water industry began an all-out strike at midnight on Sunday 23 January 1983, following a week in which they had banned overtime, stand-by and call-out duties.
2. Members of the National Water Council return to ACAS today to continue talks, which began yesterday, on ACAS proposals for further negotiations based on the mediator's report, which the unions had previously rejected. GMBATU is reported to be meeting today to consider extending the strike action to include its 1200 Scottish water workers who, though not party to the negotiations, have been guaranteed the same deal as their counterparts in England and Wales. NUPE has already given authority for its Scottish members to strike.
3. The dispute, although now associated with the pay deal to be negotiated from 7 December 1982, is essentially about a clause in the 1981 pay deal which provided, without commitment, that the employers would give careful consideration to union representations that water workers' pay should be higher in relation to the pay of workers generally. [The unions later quantified this informally as being in the upper quartile of published earnings figures.]