



Minister of State

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1P 3AG

Civil Service Department
Whitehall London SW1A 2AZ
Telephone 01-273 3000

9 April 1981

Shrew MS.
Dear Geoffrey,

Prime Minister

*Mr Hayhoe seeks authority
for a "no compulsory redundancy"
agreement as part of the
word processor package.
Content? MAP 9/8*

WORD PROCESSORS

As you know officials are seeking agreement with the CPSA on the introduction of word processors. The negotiations have gone better than we expected in the context of our present troubles over pay. Good progress has been made on most outstanding issues - consultation arrangements, selection of operators, grading and allowances, supervision arrangements, job satisfaction, training, and environment and ergonomic aspects. But the crucial question is what to do about staff who are displaced by the introduction of these machines. The CPSA have claimed, as the unions did in the wider discussions on new technology, that there should be no loss of jobs. But they have indicated that, if agreement can be reached on the other issues, they would be prepared to settle for an undertaking that nobody would compulsorily be made redundant as a result of introducing word processors. They say that this is their sticking point, and we believe them.

Paul Channon consulted colleagues on 29 July 1980 about our response to the similar claim in relation to a new technology agreement and received general agreement, with reservations, that a no compulsory redundancy assurance could be given provided the other terms were right. Keith Joseph was concerned that we should not appear to be ahead of the private sector. Most of the private sector agreements we know about contain either assurances that there will be no job loss or no compulsory redundancy, so we would not be in the lead if we agree to a no compulsory redundancy condition.

In the case of word processors it is very unlikely that there will be job losses on any large scale. People can be redeployed; natural wastage of typing staff is high and typing work can often be switched from one location to another. The risk we run is very slight. However, we should be setting a precedent for new technology more generally; if the unions dropped their claim for a

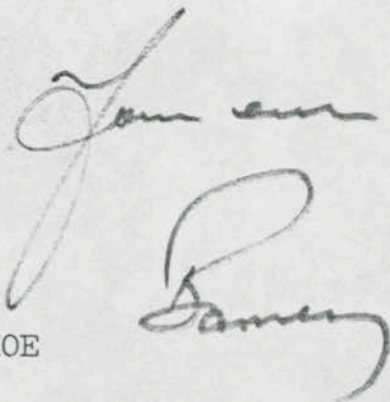
MANAGEMENT IN CONFIDENCE

shorter working week, and a wider agreement then became feasible, I do not doubt that an undertaking on no compulsory redundancy would be required. I believe that price would be worth paying if and when the time comes, though it is not the immediate issue.

I should be grateful for your agreement to our giving the undertaking the CPSA have asked for in relation to word processing, provided that the other terms are right. We will limit our commitment by inserting in the agreement a break clause with say six months notice. Apart from facilitating the introduction of word processors, to reach a mutually satisfactory agreement will be a useful precedent for handling new technology generally and will provide a valuable basis of co-operation to help us get our industrial relations back on an even keel when the present dispute over pay is over.

Would you and other colleagues respond please by Monday, 13 April. The CPSA believe that if we can reach agreement before the end of this month, there is a good chance that their Executive Committee and membership will accept it. Their May Conference may well be a stormy one, and resolutions hostile to new technology have been tabled. If we miss our present chance the union's hands may be tied, preventing them doing business with us on acceptable terms.

Copies of this letter go to the Prime Minister, Ministers in charge of Departments, the Minister for Information Technology and Sir Robert Armstrong.

A handwritten signature in cursive script, appearing to read 'Barney Hayhoe', is written over the typed name.

BARNEY HAYHOE

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MANAGEMENT IN CONFIDENCE

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10 DOWNING STREET

From the Private Secretary

10 April 1981

The Prime Minister has seen a copy of Mr. Hayhoe's letter of 9 April to the Chancellor of the Exchequer, about the introduction of word processors.

She has no objection to the negotiating stance proposed by your Minister.

I am sending a copy of this letter to David Wright (Cabinet Office).

M. A. PATTISON

A

Adrian Carter, Esq.,
Civil Service Department.

MANAGEMENT IN CONFIDENCE

Civil Service



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

15 April 1981

Barney Hayhoe Esq. MP
Minister of State in the Civil Service
Department

Dear Barney

✓ MK

You wrote to me on 9 April about the negotiations being undertaken by your officials with the CPSA with a view to coming to a new agreement on the introduction of word processors.

I can reply quite shortly: provided that the other terms sought by the CPSA are right, I would be prepared to accept a clause which gave the undertaking they seek on the issue of no compulsory redundancy.

I am sending a copy of this letter to the Prime Minister and to other recipients of yours.

GEOFFREY HOWE

15 APR 10 24





Secretary of State for Industry

DEPARTMENT OF INDUSTRY
ASHDOWN HOUSE
123 VICTORIA STREET
LONDON SW1E 6RB
TELEPHONE DIRECT LINE 01-212 3301
SWITCHBOARD 01-212 7676

14 April 1981

Barney Hayhoe Esq MP
Minister of State
Civil Service Department
Old Admiralty Buildings
Whitehall SW1

✓ MJD

Barney

WORD PROCESSORS

You wrote to Geoffrey Howe on 9 April about the progress of talks with the CPSA on a national agreement for the introduction of word processors.

I note that an undertaking that nobody would compulsorily be made redundant as a result of the introduction of word processors appears to be a sticking point for the CPSA and that it may not be possible to conclude an agreement without this. I remain convinced, however, that we should not give undertakings of this kind when many private sector companies have not done so. The fact that some private sector agreements contain such provisions does not remove my doubts: the Civil Service already enjoys quite exceptional job security and we are able to contemplate giving a no redundancy pledge with equanimity only because we - unlike private sector firms - are insulated from the effects of any decision we might make by our ability to raise taxation. The important point is that a great number of private sector firms have not given pledges; if we yield to union pressure, the pressures on firms to act uncommercially may be all the greater.

I am also concerned because, as you say, we should be setting a precedent for new technology more generally. This precedent is bound to be quoted against us and it will be difficult to avoid giving future pledges once we have conceded the principle. At a time when many private sector employers are having to make substantial numbers redundant and when there is widespread criticism of the unfair distribution of burdens, I believe that a Government pledge of the kind proposed would be widely misunderstood.

The introduction of word processors is part of the natural process of improving efficiency within the Civil Service. New

/machines ...



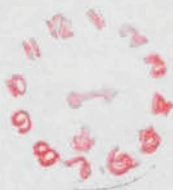
machines are being developed, like communicating word processors, which might make substantial staff savings possible. I do not see why we should now pay a special price for the introduction of word processors or make it more difficult for us to introduce labour saving technology in future.

Copies of this letter go to the Prime Minister, Ministers in charge of Departments and to Sir Robert Armstrong.

Yours,

Kerr

15 APR 1984





CABINET OFFICE
Central Policy Review Staff

70 Whitehall, London SW1A 2AS Telephone 01-233 7765

From: J. R. Ibbs

Qa 05331

28 April 1981

Dear Minister of State,

Word Processors

I share Sir Keith Joseph's concern expressed in his letter dated 14 April, that an undertaking that nobody would compulsorily be made redundant as a result of the introduction of word processors could set a harmful precedent against the introduction of new technology generally.

Developments in information technology will enable fundamental changes and major economies to be made in the way government work is done. Over the next decade, capital equipment should enable substantial savings to be made in labour in the handling of information. This needs to be encouraged in order to reduce civil service manpower and costs, to support commerce in maintaining momentum in such improvements, to promote our information technology industries and to encourage further developments.

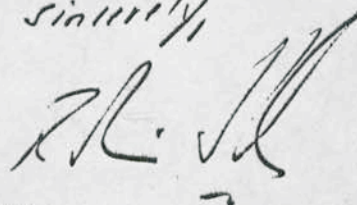
Government would be open to criticism and deservedly so, if it continued to advocate rapid adoption of new technology by the private sector in order to improve productivity but prevented itself from doing likewise because it protected its employees from the kind of redundancies recognised as unavoidable in the private sector. The next generation of systems, such as voice-input typewriters, electronic mail, electronic filing and retrieval, optical communications and storage should be even more labour displacing than word processors. It is therefore important to establish the appropriate precedent now. Only if it can be demonstrated clearly that schemes for voluntary redundancy will be able to cope with the reductions needed

Barney Hayhoe Esq MP
Minister of State
Civil Service Department
SW1

should an undertaking to avoid compulsory redundancy be contemplated.

Copies of this letter go to the Prime Minister, Ministers in charge of departments and to Sir Robert Armstrong.

yours sincerely,

A handwritten signature in dark ink, appearing to be 'J R Ibbs', written in a cursive style.

J R Ibbs



DEPARTMENT OF HEALTH & SOCIAL SECURITY
 Alexander Fleming House, Elephant & Castle, London SE1 6BY

Telephone 01-407 5522

From the Secretary of State for Social Services

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 MAF

Barney Hayhoe Esq MP
 Minister of State
 Civil Service Department
 Whitehall
 London
 SW1A 2AZ

15 April 1981

Dear Barney,

WORD PROCESSORS

Thank you for copying to me your letter of 9 April to Geoffrey Howe about the possibility of offering the CPSA a no compulsory redundancy pledge on the introduction of word processors.

I very much endorse the views expressed in the third and fourth paragraphs of your letter. I have no objection, therefore, to the offer of a no compulsory redundancy pledge in this context. On the question of setting a precedent for new technology generally, my views on such a pledge in the wider context remain as set out in my letter to Paul Channon on 11 August 1980, namely, that a no-redundancy pledge seems to be a relatively small and realistic price to pay if it will pave the way for an agreement, but that in this much wider and rapidly developing field the commitment should not be open-ended.

Finally, I am sure the point you made about the significance of the Union's annual conference is very relevant here.

I am copying this letter to recipients of yours.

Your ever
 P
 Patrice



Caxton House Tothill Street London SW1H 9NA
 Telephone Direct Line 01-213 6400 GTN 213
 Switchboard 01-213 3000

✓ *Card Servis*
MAD

Adrian Carter Esq
 Private Secretary to the
 Minister of State
 Civil Service Department
 Whitehall
 LONDON SW1A 2AZ

14 April 1981

Dear Adrian

WORD PROCESSORS

Mr Hayhoe sent my Secretary of State a copy of his letter of 9 April to the Chancellor of the Exchequer. During Mr Prior's absence in West Germany, I am replying on his behalf.

When Mr Channon consulted colleagues about a no redundancy undertaking in the context of the discussions with the unions on new technology, Mr Prior's view was that we should give such an assurance, though at the same time recognise the practical difficulties that might arise. He takes a similar view on word processors.

He thinks it possible, though unlikely, that the introduction of word processors might lead to compulsory redundancies on a very small scale in the DE Group. If the Government gave a no compulsory redundancy guarantee, it might have to accept the continuing employment for a short time of more typists than could strictly be justified. However, he would be prepared to accept this as the price for agreement with the CPSA, provided that Mr Hayhoe and his officials were also prepared to accept such a situation.

I am copying this letter to the private secretaries of recipients of the earlier correspondence.

Marie Fahey

MISS M C FAHEY
 Private Secretary

Civil Service



MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1
 Telephone 01-938-7022 ~~XXXXX~~ 218 2111/3

MO 2/2/6

14th April 1981

Dear Geoffrey,

✓ MAR

WORD PROCESSORS

My Secretary of State has seen your Minister's letter to the Chancellor of the Exchequer of 9th April.

The crux of the matter in my Secretary of State's view is that "the other terms" of an agreement to which Mr Hayhoe refers in his antepenultimate paragraph are acceptable. Word Processors are, after all, merely one instance of New Technology and, while Mr Nott is keen to see their continued deployment within MOD, he is sure that we should not accede to any agreement which would be inconsistent with our approach to the wider topic. On the latter, his predecessor gave agreement to "no compulsory redundancy" conditional on the overall terms of any final draft agreement, which has not yet been forthcoming.

It follows that, while in practice Mr Nott believes it most unlikely that we should find ourselves in a position in which we should be forced to invoke compulsory redundancy following the introduction of Word Processors, he would prefer to see the proposed overall agreement before accepting a "no compulsory redundancy" clause.

I am sending copies of this letter to Tim Lankester (No. 10), John Wiggins (HM Treasury) and David Wright (Cabinet Office).

Yours sincerely
Brian Nott

(B M NORBURY)

G E T Green Esq



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1961 R



Cont Service



SCOTTISH OFFICE
WHITEHALL, LONDON SW1A 2AU

✓ MJD

Barney Hayhoe Esq
Minister of State
Civil Service Department
Old Admiralty Building
Whitehall
London
SW1A 2AZ

13. April 1981

Dear Barney,

WORD PROCESSORS

In your letter of 9 April addressed to Geoffrey Howe, you asked colleagues for a quick response to the proposal that the CPSA should be given an undertaking that no one would compulsorily be made redundant as a result of the introduction of word processors; this on the understanding that the other terms of the agreement with the CPSA were acceptable.

I would strongly support your suggestion that the CPSA should be given the undertaking. It is I think now clear that a compulsory no redundancy pledge is an inescapable part of any agreement on new technology. We must of course ensure that we obtain satisfactory quid-pro-quo in the rest of the agreement but for the reasons you give I do not believe that we should experience any difficulty in honouring the undertaking.

I am copying this to the recipients of your letter.

*Yours ever,
George*

14 APR 1981



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