

Ref. A07533

PRIME MINISTER

New Technology Agreement for the
Non-Industrial Civil Service

E(82) 11

BACKGROUND

The Committee agreed at their meeting on 2 February (E(82) 3rd Meeting) that, to encourage the early introduction of new technology in the civil service, the draft agreement with the civil service trade unions should give assurances on redundancies. A form of words for discussion with the unions was agreed in subsequent correspondence. In E(82) 11, the Chancellor of the Duchy of Lancaster asks the Committee to consider two amendments which she judges must be made if the union negotiators are to recommend the text to their Executives.

MAIN ISSUES

2. The text, with the amendments at issue, is shown in paragraph 2 of E(82) 11 and the amendments are explained in paragraph 3. The question is whether it is preferable to have a national agreement with a clause on redundancies incorporating these amendments; or to have no national agreement, and to negotiate project by project, without the degree of staff co-operation that a national agreement should make possible, and to risk losing some projects and advancing more slowly on others as a result.

3. The first issue is that the unions wish the reference to the agreement not constituting a precedent to be attributed to the Official Side. The clear implication is that they wish to be free to argue that so far as they are concerned it is a precedent. This is annoying but the reality is that, whatever the Official Side's view, the unions will not want to inhibit themselves now from arguing in two or three years time against compulsory redundancies if, as is expected, it is then clear that they will be necessary.

4. If the Committee accept the Chancellor of the Duchy of Lancaster's advice that there is no chance of negotiating agreement to an unqualified statement that the agreement does not constitute a precedent, the question is how best to handle the point. The Chancellor of the Duchy of Lancaster recommends (and I agree) that, rather than have the point in the agreement and attributed to the Official Side, it would be better to deal with it in correspondence. This would be the normal practice in dealing with such differences of view. If the Government's view that the proposed agreement did not constitute a precedent was to be made in correspondence, the Government's position could be made known in the press release, and in any accompanying Government statements, when the agreement was published, in terms which would not provoke the unions into reacting against the agreement.

5. The second point is whether the text should refer solely to the "intention" of the Official Side or to their "expectation and intention". The unions want to take out the word "expectation", in order to give more emphasis to the "intention". I agree with the Chancellor of the Duchy of Lancaster that the word "expectation" is not strictly necessary, largely because the "therefore" - which, you will recall, you asked to be inserted - makes the link between the description of what the Government expects and the intention that there should not be any recourse to compulsory redundancies.

DURATION OF AGREEMENT

6. The Committee agreed in their previous discussion that it would be preferable for the agreement to cover three rather than two years, provided that - as was subsequently confirmed - the problem of compulsory redundancies would not arise in the third year. This change was proposed with the aim of ensuring that renegotiation of the agreement would be well clear of any possible time for the next Election. The Chancellor of the Duchy of Lancaster now reports that at least two of the unions are unwilling to accept an agreement lasting for more than two years. The two are the Inland Revenue Staff Federation and the Civil Service Union;

they do not want to be locked for too long into an agreement which they might wish to reconsider in two years time in the light of the position on staff numbers and the system of civil service pay determination which will have then emerged. You will wish to confirm that, as was implied in the earlier discussion, the Committee will settle for two years if three years is not available.

HANDLING

7. After the Chancellor of the Duchy of Lancaster has introduced her paper you will wish to go through the points at issue summarised in paragraph 3 of E(82) 11. You will wish to hear in particular the views of the Chancellor of the Exchequer, who is very concerned to avoid undue concessions and of the Secretary of State for Industry who has a departmental interest in the efficient introduction of new technology.

CONCLUSIONS

8. With reference to the draft text in paragraph 2 of E(82) 11 you will wish to record conclusions on whether, in further negotiations with the union representatives -

- i. the agreement should run for two rather than three years;
- ii. the reference to the agreement not constituting a precedent should be described as the Official Side's view and whether this should be covered in the main agreement or dealt with, as the Chancellor of the Duchy of Lancaster recommends, in correspondence;
- iii. the words "expectation and" may be deleted on the grounds that this would not sufficiently dilute the meaning of the text.

9. On this basis, the clause would read -

A number of jobs will be lost as a result of normal wastage, and it is therefore the intention of the Official Side that there should not be any recourse to compulsory redundancies on this account during the period covered by this agreement. This intention is limited to the two years covered by this agreement.

RA

ROBERT ARMSTRONG

17 February 1982



CONFIDENTIAL

Qa 05832

To: MR SCHOLAR

17 February 1982

From: J R IBBS

New Technology Agreement for the Non-Industrial
Civil Service

1. Following discussions with the Unions, the Chancellor of the Duchy of Lancaster is inviting colleagues' views on a modified agreement in her paper E(82)11.
2. As reworded to include the phrase "as far as the official side is concerned" the agreement carries a strong implication that the Staff Side do regard it as a precedent. This resurrects my objection to the agreement as originally drafted and I would advise against accepting this latest amendment.
3. I am sending a copy of this minute to Sir Robert Armstrong.

JR

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CONDITION

11 FEB 1982

