

MR BARCLAY

PA
DMS
27/9

27 September 1984

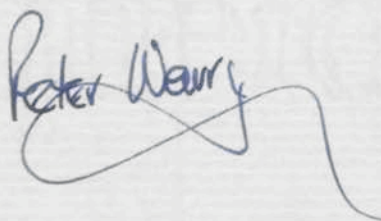
CROMBIE CODE

The Crombie Code provides a financial bonanza for employees displaced in local government or similar statutory reorganisations. The Code itself is not law but has been embodied in regulations; moreover Ministers are obliged under present law to provide some regulations on compensation.

H has already taken the decision to withdraw Crombie terms. So far this has been done by embodying individual repeal within main Acts (such as for the abolition of the GLC). The proposal is now to repeal the general requirement for Ministers to provide compensatory regulations. Without this Crombie terms will have to continue in a few trivial cases that would not warrant individual legislation. The cost of continuation is under £100,000 but comparability will be a problem.

As a side issue the DoE wishes to plug a legal loophole whereby local authorities exceed the compensation benefits laid down by statute; in particular some Metropolitan County Councils have given very generous contractual redundancy terms to their staff in advance of their abolition. It is too late to stop this and future deviations will now hopefully be small.

There is no convenient Bill to which these proposals could be attached and, although worthy, we do not believe they merit their own Bill. No action should therefore be initiated.

A handwritten signature in blue ink that reads "Peter Warry". The signature is fluid and cursive, with a long, sweeping underline that loops back under the name.

PETER WARRY

MR REDWOOD

Crombie Code

I mentioned to you that a paper had been circulated to H Committee on the Crombie Code of compensation. The reference number is H(84)34.

We agreed that this was a matter on which Mr. Owen might well be eager to offer a view. I should be grateful for his advice by the weekend.

DJ

24 September 1984