



cc ce 150  
 Prime Minister (2)  
 To note

AT 8/6

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

PRIME MINISTER

**NON-INDUSTRIAL CIVIL SERVICE PAY NEGOTIATIONS FOR 1984**

As you know, my officials duly made an "open" offer to the Civil Service unions last Thursday on the basis we had agreed. The details are set out in the attached note. My officials made it clear that the offer represented the limit of what the Government could afford and that we were very unlikely to agree to arbitration (although no request for this has yet been made).

2. The unions are consulting their members on this offer with a recommendation that it should be rejected. They are asking for a mandate to demand more money and have suggested that if none is forthcoming, they will press the Government to agree to arbitration. The consultation process should take about 3 weeks. None of this is unexpected.

3. We cannot impose the offer until this process is complete and there has been a further exchange. But it seems unlikely that the position will change. I expect that towards the end of this month we shall need to reject formally the request for arbitration which will doubtless have been put to us and then impose the present offer. Meanwhile we shall continue to make clear in press briefing and in response to PQs that no more money is available.

4. At present there seems to be little risk of serious industrial action following a decision to impose the offer. But I shall keep colleagues in touch with developments.

5. I am copying this minute to the other members of MISC 66, to the Secretary of State for Education and Science and to Sir Robert Armstrong.

*N.L.*

(N.L.)

6 June 1984



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REVISED "OPEN" PAY OFFER 31 MAY 1984

The offer comprises :-

- an increase of 5 per cent for staff on flat rates and scale maxima;
- an increase of 4 per cent for staff on other scale points;
- an underpinning minimum increase of £3 per week for full time staff aged 18 and over;
- an increase of 4 per cent in various pay-related allowances;
- an increase of 4 per cent in rates of London Weighting;
- completion of the rationalisation of scale points at Clerical Officer and Executive Officer levels begun in 1983.

2. The increases in pay rates and in allowances would operate from 1 April 1984. The London Weighting increase would be effective from 1 October 1984 and scale rationalisation at Clerical Officer and Executive Officer levels from 1 January 1985. Overall the increased offer would add about  $4\frac{1}{2}$  per cent to the 1984-85 pay bill (precisely the figure is just under 4.55 per cent).

3. This offer follows a union claim for about 7.7 per cent (17 April) and Treasury offer of 3.1 per cent (24 April) and 3.7 per cent (8 May).



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Prime Minister<sup>(2)</sup>

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To be aware

AT 15/6

PRIME MINISTER

## NON-INDUSTRIAL CIVIL SERVICE PAY NEGOTIATIONS FOR 1984

I have seen Nigel Lawson's minute to you of 6 June. I agree with the approach he recommends. Colleagues should be aware, however, that significant industrial action cannot be ruled out entirely. As you know, we already have a dispute over shifts at the pensions computers at Newcastle and I am writing separately to E(PSP) on the handling of that. A combination of disputes over both pay and shifts must increase the chances of escalation and further industrial action. Even if limited to the computer centres, the impact could be serious. Perhaps the major threat is a delay in implementing the uprating.

This does not mean we should soften our stance - quite the reverse - but colleagues should be aware that we may face difficult problems along the way.

I am copying this minute of members of MISC 66, Sir Keith Joseph and to Sir Robert Armstrong.

N F

15 June 1984



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