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SECRETARY OF STATE FOR ENERGY

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British Coal have now made an offer, which they say is final, to the Union of Democratic Mineworkers (UDM) for increases over the next two years.

The offer to the union, which now represents about a quarter of mineworkers, consists of £3/week to all mineworkers in the first year; a maximum of £3.25/week in the second year (decreasing pro rata according to grade); an extra £1 on the standard weekly incentive rates; a no-strike bonus of up to £50 per half year; and an attendance bonus of up to £30 per quarter.

It is estimated that this offer to the UDM, if applied to all mineworkers, would add 3½% to the wage bill in the first year (of which about half would be attributable to the grade rate increases and half to improved incentives). For a man on average wages and incentives in Nottinghamshire the increases are believed to be worth about 4½% on earnings.

Although the settlement date for mineworkers is 1 November, British Coal have said that until an agreement on conciliation, which is currently being discussed with the union, is in place, they will not settle the pay deal.

The NUM have not submitted a pay claim to British Coal. The separate pay negotiations with them may be deferred for some considerable time while terms of a conciliation scheme are agreed. I shall of course let you know the details of any offer to the NUM.

I am copying this letter to the Prime Minister, members of E(PSP), and to Sir Robert Armstrong.

Peter Walker

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