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Treasury Chambers, Parliament Street, SW1P 3AG

David Hunt Esq MBE MP  
Parliamentary Under Secretary of State for Energy  
Department of Energy  
Thames House South  
Millbank  
London  
SW1P 4QJ

23 April 1987

NBM

Dear David,

COAL INDUSTRY PAY

at 11ap

Thank you for your letter of 13 April.

Naturally, I hope that the latest offer of the UDM will produce a satisfactory response. As usual I would be grateful to be kept informed of developments.

Copies of this letter go to the Prime Minister, E(PSP) members and Sir Robert Armstrong.

Yours ever,  
JH

JOHN MacGREGOR

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PARLIAMENTARY UNDER  
SECRETARY OF STATE

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13th April 1987

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Peter Walker wrote to you on 7 November 1986 to tell you of the pay offer which British Coal had made to the Union of Democratic Mineworkers.

Following further discussions with British Coal the offer was amended. The second year element was dropped and there was an increase from £50 to £100 per half year in the no-strike bonus, or "continuity bonus" as it became known. Payment of the extra £50 per half year was, however, dependent on the strike free record of a whole unit (which had still to be defined); the first £50 per half year being dependent upon an individual's own strike-free record.

In a ballot in March, the UDM voted overwhelmingly to reject British Coal's offer. As a result British Coal have again revised their offer to the union. This now comprises:

an increase of £4 per week on grade rates, and £1 per week on incentive rates (as before); and

up to £50 per half year continuity bonus only dependent upon an individual's own record; and

up to £50 per quarter attendance bonus.

The new offer is estimated to add 4.65% to the wages bill and be worth about 5% on earnings to a man on average wages and incentives in Nottinghamshire.

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

Yours ever

David Hunt

DAVID HUNT

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SECRETARY OF STATE FOR ENERGY

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7 November 1986

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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*

PETER WALKER

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