

THE RT HON JOHN WAKEHAM MP



Department of Energy
1 Palace Street
London SW1E 5HE
071 238 3290

The Rt Hon David Mellor QC MP
Chief Secretary to the Treasury
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

28 January 1992

Dear David

NACODS PAY CLAIM

- with JP
My letter of 28 October provided a progress report on British Coal pay issues and mentioned that NACODS had submitted an unquantified pay claim in respect of pit deputies for 1991-92. This letter seeks to inform colleagues of progress made since.

British Coal responded to the NACODS claim with an offer of 4.16% - an increase in line with the second stage of the manuals' two year settlement. Following a ballot of their membership in November, NACODS rejected this offer. British Coal have told NACODS that they are willing to adjust the package, but that no further money is available. NACODS have sought arbitration under the conciliation agreement between British Coal and NACODS which provides for unilateral access to arbitration. As you are aware, we consider that NACODS' right to unilateral access to arbitration is an issue best dealt with in the context of privatisation. A hearing of the National Reference Tribunal is now arranged for 4 February.

The National Reference Tribunal's decision is binding on both parties and should be known by the middle of February. It seems to us that the Tribunal's decision is unlikely to go against British Coal, given that the Corporation's offer is in line with the manual's settlement. I will report on the outcome. I can see no likely implications of the NACODS behaviour for the rest of the industry.

I am copying this letter to the Prime Minister, members of EA(PSP), David Hunt, Ian Lang and Sir Robin Butler.

Yours etc
John

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NSM
BHP
28/1

CONFIDENTIAL



NSM
BHP
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The Rt Hon John Wakeham MP
Secretary of State for Energy
Department of Energy
1 Palace Street
London
SW1E 5HE

4 November 1991

A handwritten signature in black ink, appearing to be 'J Wakeham'.

MINEWORKERS' PAY

Thank you for your letter of 28 October in which you provided a helpful progress report on British Coal pay issues.

2. I note that as part of last year's deal mineworkers' pay will increase by 4.1 per cent from 1 November and that as in previous years this will be imposed on NUM members. I also note that British Coal are considering an unquantified claim from NACODS in respect of pit deputies. I hope you will stress to British Coal the appropriateness and desirability of also restricting their offer to this group to no more than 4.1 per cent.

3. I note the irresponsible course of action which the NUM have announced and I am grateful for your undertaking to report any significant developments.

4. I am copying this letter to the Prime Minister, members of EA(PSP), David Hunt, Ian Lang and Sir Robin Butler.

A handwritten signature in black ink, appearing to be 'D Mellor'.

DAVID MELLOR

CCPD

THE RT HON JOHN WAKEHAM MP

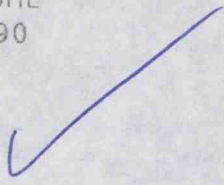


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Prime Minister
To be answered
BHP
28/10

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The Rt Hon David Mellor QC MP
Chief Secretary to the Treasury
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Parliament Street
LONDON
SW1P 3AG



28 October 1991

See David

MINEWORKERS PAY

As you know, last year British Coal agreed a two year pay deal with the UDM. The second stage of the agreement will come into effect as from 1 November. I am writing to let you know the details and bring you up to date generally on British Coal pay issues.

The second year increase will be based on the September RPI increase of 4.1%. Only the grade rates and incentives will be increased, and so the overall effect on the pay bill will come out at under 4%. As in previous years, this will be imposed on NUM members. The weekly paid industrial staff, clerical and canteen staff are also covered by the agreement and will receive the same increase.

The mine officials union, NACODS, did not agree a two year deal, and have submitted an as yet unquantified claim for 1991-92. British Coal are considering this, but tell us that they are unlikely to offer more than 4.1%. The management, represented by BACM, have an agreement that runs until February 1992.

The NUM, whose leadership continues to refuse to participate in the Corporation's conciliation scheme, have announced that they will be holding a ballot of their members on 14 and 15 November asking for an overtime ban in support of a pay claim. Mr Scargill is reported as demanding an increase of 28% for all British Coal employees. In previous years the NUM's membership has rejected such calls for industrial action, but in view of the



present uncertainty over the industry's future, the Corporation are unsure whether there will be a similar outcome this year. I shall monitor the situation carefully, and report any significant developments to colleagues.

I am copying this to the Prime Minister, members of EA (PSP), David Hunt, Ian Lang and Sir Robin Butler.

John Wakeham
[Signature]

JOHN WAKEHAM