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CABINET

MINISTERIAL COMMITTEE ON ECONOMIC STRATEGY

NEW TECHNOLOGY AGREEMENT FOR THE CIVIL SERVICE

Memorandum by the Chancellor of the Duchy of Lancaster

THE ISSUE

1. Negotiations with the Civil Service trade unions on a new technology agreement are at a decisive stage. As the attached draft agreement (Annex 1) shows, we have successfully avoided any concession on job loss, reductions in hours, or any status quo arrangement for disputes. Whether we get an agreement now turns on what we are prepared to say about redundancy.
2. I distinguish sharply between job loss and redundancy due to the introduction of new technology. The whole point of many applications of new technology is to reduce costs by cutting down jobs and no responsible management could give a "no job loss" undertaking. Whether redundancy can be avoided is a very different matter; often it can, by relying on wastage, retirements, the flexibility to move people to other work and so on.
3. It so happens that in the next 2 years - the period for which the agreement will run - there is virtually no need for any redundancies in the non-industrial Civil Service due to introducing new technology. We could in practice give a "no-redundancy" undertaking if we wanted to.
4. An agreement would be very useful to us. It would enable us to get ahead quickly with new technology projects and the 3000 manpower savings and increased efficiency predicted for the next

CONFIDENTIAL

2 years would help us to meet our manpower targets.

5. Without an agreement Departments will have to make what progress they can, project by project, as set out in Paul Channon's letter of 10 December 1980 (Annex 2). Attitudes would harden; we should lose some projects, and would be able to proceed with others only after delay. The cost of delay would be high. For example, each week that the computerisation of PAYE is put back means foregoing savings of £1m. For DVIC at Swansea, each week's delay means £50,000. And it would be a poor start to Information Technology Year.

6. The unions want a guarantee that there will be no compulsory redundancies during the period of this agreement. A guarantee would secure the agreement. There are two important objections to giving it:

- (1) By agreeing now to a guarantee that there would be no compulsory redundancies in the next 2 years we might be taken to imply that it will always be possible to avoid redundancy due to the introduction of new technology in the Civil Service, which it quite certainly will not, and we should make it more difficult to withhold a similar pledge later, when the agreement came up for review. We must clearly avoid this.
- (2) We might give the impression that we are giving our own employees special treatment while expecting others to be tougher with theirs. The CBI's view is that each employer should settle arrangements suited to his own circumstances, and in fact many private firms have felt able to give "no-redundancy" undertakings. All the same we should not appear by our own example to encourage employers to shirk tough decisions over new technology.

CONCLUSION

7. The introduction of new technology in the Civil Service will undoubtedly be easier and quicker if we can reach a national agreement with the Civil Service trade unions. Failure to reach an agreement will not prevent any progress, but it will make it harder and slower and delay will be expensive. There will be job losses, but over the next 2 years (we are not committing ourselves beyond that) there should be no difficulty in absorbing those displaced, without detriment to our financial and manpower targets, through natural wastage and redeployment. The unions would like us to give an unqualified guarantee of no compulsory redundancies in that period. However,

CONFIDENTIAL

unqualified guarantee would set an unfortunate example. The question is how far we can go in saying that we will behave as good managers should in the circumstances, and whether the farthest we can go will be enough to provide a basis for reaching agreement with the unions.

8. The present paragraph 10 of the draft agreement, though phrased as a prediction, may be taken as giving an unqualified guarantee:

"No member of staff will be made compulsorily redundant during the period covered by this agreement as a direct result of the introduction of new technology into the non-industrial Civil Service".

9. If that goes too far, we can express an intention to do our best as good employers to avoid compulsory redundancies, in something like the following terms:

"A number of jobs will be lost as a result of the introduction of new technology but during the currency of the agreement it will be possible to reabsorb the staff concerned in other jobs through redeployment and as a result of normal wastage, and it is the expectation and intention of the Official Side that there should not be any recourse to compulsory redundancies on this account during the period covered by this agreement".

10. An alternative version of that text which goes slightly less far in the direction of a commitment might read as follows:

"A number of jobs will be lost as a result of the introduction of new technology but during the currency of the agreement it will be possible to reabsorb the staff concerned in other jobs through redeployment and as a result of normal wastage, and it is the expectation and intention of the Official Side that there should not be any need for compulsory redundancies on this account during the period covered by this agreement".

11. We have to decide which of these texts should represent a sticking point for our negotiators. In my judgment we could certainly get an agreement on the paragraph 8 draft; we would stand a reasonable chance of getting an agreement with the paragraph 9 draft; and we could not be at all sure of getting an agreement on the paragraph 10 draft.

JY

Management and Personnel Office

29 January 1982

MANAGEMENT IN CONFIDENCE

DRAFT NATIONAL WHITLEY COUNCIL AGREEMENT ON NEW TECHNOLOGY - ANNEX 1

INTRODUCTION

1. This interim framework agreement between the Official and Trade Union Sides of the National Whitley Council sets out the principles and practices which will govern the introduction of new technology in the non-industrial Civil Service. The detailed arrangements for the introduction of new technology, in accordance with this agreement, will be a matter for discussion between Departments and their Trade Union Sides. This agreement is not intended to supersede or preclude departmental agreements which have more favourable terms.

2. The objective of the introduction of new technology in the Civil Service is to improve the efficiency and the standards of service of government operations. The aim of this agreement is to facilitate the introduction of new technology and thereby create an environment in which efficiency and improved services can be combined with improvements in job satisfaction and working conditions.

DEFINITION

3. For the purposes of this agreement, new technology shall be taken to mean new or modified computers or microprocessor-controlled equipment used in the Civil Service which have different staffing requirements from those of equipment already in use, or which result in changes in work processes, techniques or the allocation of work, which are of major significance to those directly affected by them.

CONSULTATION PROCEDURES AND PROVISION OF INFORMATION

4. The basic aims will be to:

- seek the agreement and co-operation of the unions affected;
- enable unions to bring forward proposals for improving efficiency and standards of service through the use of

new technology;

- ensure that unions and staff are kept fully informed;
- provide opportunities for consultation from the earliest possible stage of a project through the appropriate consultative machinery.

5. To this end arrangements for provision of information and for consultation will be established at appropriate levels in each case making use wherever possible of existing procedures.

i. Information will be given about a potential project on initiation of a formal study; and, as soon as practicable thereafter, about any prospective new system and its likely impact on the potential uses of the equipment, initial appraisal of probable costs and benefits, including an estimate of the manpower consequences, and any proposed redeployment measures.

ii. Information from the regular monitoring of the impact on performance of the project will also be provided in accordance with procedures to be agreed between the departments and unions concerned.

iii. Consultation will begin as soon as possible after the completion of the formal study, and will then proceed by arrangements to be settled between Departments and the unions concerned; these will define the appropriate stages for consultation and the time to be allowed for it at each stage.

iv. There will be full consultation over any trials involving the running of equipment to establish the feasibility of a project.

6. Investment appraisal and subsequent monitoring are key aspects of the control and management of projects involving new technology and form an important part of the information and consultation arrangements described in paragraph 5. The effects on manning levels, on standards of service, on other costs or benefits and the implications for the community at large should, where appropriate, all be taken into account in this process. The arrangements for regular monitoring will therefore enable the unions to be provided with information on these aspects, as provided for in paragraph 5(ii). The procedures governing investment appraisal and monitoring are set out in the CCTA Computer and Telecommunications Handbook and will be made available to the appropriate unions representatives.

7. Departments will seek the agreement of the unions concerned before any new technology is introduced, and will not bring it into full operational use before the consultation procedure has been fully carried out. Once the consultation process has begun the unions, for their part, will not impede the start or the progress of the necessary phases of development such as preliminary study, full study, or preliminary trials, pending the outcome of consultations on the project as a whole. Any disagreements will be handled within Departments' consultative procedures. Attention should, at an early stage, be given to the adequacy of these procedures in handling disagreements in the new technology context.

8. The existing consultative machinery at national level will be used for discussion of matters arising from the use of new technology agreed to be of relevance to the Civil Service as a whole. The effects of new technology on matters of Service-wide interest will become progressively clearer as new equipment is tried out and validated. If these effects indicate that changes in the national machinery are necessary to deal with them, this will be considered jointly as particular issues arise.

JOB DESIGN AND STAFF INVOLVEMENT

9. In the course of project development the design of jobs should take full account of their quality. The staff concerned should be fully involved in the implementation of projects. Departments may seek advice on job design and staff involvement from MPO and Treasury consultancy services; experience already gained in these areas will be reviewed, consolidated and developed during trials of new equipment.

TREATMENT OF DISPLACED STAFF

10. No member of staff will be made compulsorily redundant during the period covered by this agreement as a direct result of the introduction of new technology into the non-industrial Civil Service.

11. The increased productivity which will result from the introduction of new technology may have an effect on the way in which the work is organised and therefore on the required complement. As the turnover of staff will give some flexibility to manage changes in complement some staff may be displaced as a direct result of the introduction of new technology. In such circumstances displaced staff will, wherever possible, be found alternative posts in their existing grade, location and Department. Where this cannot be achieved the redeployment measures set out in Annex A to this agreement should be followed.

WORKING CONDITIONS

12. In introducing new technology, full account will be taken of the need for good working conditions and to keep unsocial hours to a minimum. Existing guidance on ergonomic and environmental aspects is being kept under review to ensure that it reflects most recent developments. An agreement on eye tests for staff operating visual

Display Units has been reached and is attached at Annex B. The consultation procedures provide the opportunity for joint consideration of measures to safeguard any other health and safety aspects which may arise, either from particular projects or more widely, and also for the monitoring of the impact of new technology upon working conditions.

WORK MEASUREMENT

13. Work measurement is currently used to monitor and test the use of equipment, and to provide information for the proper management of the work. Management will not use new technology in new ways to provide data for use in the assessment of the performance of an individual without first consulting and seeking the agreement of the appropriate trade union side; agreement should also be sought on what data are to be collected and in what manner.

TERMS OF AGREEMENT

14. This Agreement will come into effect from a date in 1982 to be specified and will last for a period of 2 years.

REDEPLOYMENT MEASURES

1. Departments will discuss with the appropriate Union Side or union(s) the arrangements for redeploying staff who are to be displaced as a result of new technology. Such discussions may include the measures for reducing a staff surplus as listed in paragraph 2 of the Model Redundancy Agreement, the elimination of overtime working and the employment of casual staff. Every effort including any necessary retraining will be made to find them alternative posts in their existing grade, location and Department. Where this proves impracticable the next step will normally be to seek posts in the same grade and location, but in another Department; the interdepartmental machinery promulgated in General Notice 80/55 will be available for this.

NON-MOBILE STAFF

2. If a non-mobile officer displaced as a direct result of the introduction of new technology cannot be found a suitable alternative job within his own grade either in his own Department or in another Government Department, every effort will be made to find him a job in another grade in his Department or, failing that, in another Government Department. The search will be for a job which:

- a. will be within reasonable daily home-to-office travelling distance; and
- b. will not result in any significant worsening of terms and conditions, with the proviso that allowances held in the former grade will be dealt with as in paragraph 11 below.

MANAGEMENT IN CONFIDENCE

2

3. If the condition at 2b. cannot be met, the officer will be sent to a post in his Department in a lower grade which he will block while retaining his substantive grade and pay scale and conditions (allowances being dealt with as in paragraph 11 below until such time as

- a. a job can be found for him in his substantive grade; or
- b. he is promoted; or
- c. a regrading involving no worsening of pay and/or conditions is found; or
- d. he accepts a transfer to a lower grade under the normal rules.

4. An individual who is offered a posting under the terms of paragraphs 2 or 3 above will be able to choose to accept either the post offered in another grade or redundancy with appropriate PCSRS compensation terms. If an officer declines the offer of a post made in accordance with the provisions of paragraphs 2 and 3 above, no further offer of a post will be made unless it can be shown that condition 2a. was not met in the original offer.

MOBILE STAFF

5. If a mobile officer cannot be found a posting in his existing grade and location in his own or in another Department his Department should try to find him a posting in another grade in his present location. In such cases Departments should explore with the Union Side or union(s) concerned what alternative career opportunities in different occupational hierarchies might be available to suitable surplus staff. This consultation will involve the union(s) in the receiving areas and will take account of career opportunities in those areas of work.

MANAGEMENT IN CONFIDENCE

6. A mobile officer for whom no suitable post can be found in his existing location will be sought an alternative posting in another location in his own Department; but if this cannot be found the inter-departmental transfer machinery promulgated in General Notice 80/55 will be used to seek him a post in a different Department and location.

7. If a mobile officer cannot be found another post in the same grade in his department or any other department in any location, he will be able to choose between accepting either an offer of a post in another grade or redundancy with the appropriate PCSPS redundancy compensation terms.

ALL STAFF

8. In implementing these arrangements Departments will take full account of the preferences, aptitudes and personal circumstances of the staff concerned. Any retraining which is necessary will be provided at the expense of the Departments concerned and for those who are relocated, expenses relating to transfer will be paid in accordance with the normal rules.

9. An officer who accepts regrading as an alternative to redundancy will, before taking up the appointment, agree with the Department concerned the terms of the appointment and the length of the period during which he may still opt for redundancy. This decision period should normally last 8 weeks, but may be extended if relocation or retaining in the new post is required. During this period and until such time as the department is satisfied that the officer's performance is likely to meet the required standards (see paragraph 10 below) the officer will continue to be paid his existing salary and retain his existing grade. After formal regrading, in cases where the salary

MANAGEMENT IN CONFIDENCE

is lower than in the original grade the normal pay rules will apply. In cases where the salary after regrading will exceed that prior to regrading the officer will move on to the higher salary level once he has confirmed that he does not wish to opt for redundancy and the department is content that he is able to carry out satisfactorily the duties of the new grade. In such circumstances, the higher salary will be paid retrospectively from the time when the officer first took on the new duties. The officer may opt for redundancy at any time before the expiry of the decision period but not between this and the formal review of performance (see paragraph

10. The performance of staff who are redeployed in a new grade, location or Department will be monitored to determine at the earliest possible stage whether they are likely to meet the requirements of the new environment, with particular attention being given to, and allowance made for, individual problems arising from readjustment. To this end, a formal review of performance will normally be made after 6 months. Where there are indications that performance is likely to fall short of the required standard every effort will be made by the employing department to find an alternative posting. Thereafter the normal procedures will apply in dealing with staff whose performance continues to fall below the required standard.

*11. Staff who, as a direct result of the introduction of new technology, cease to be eligible to receive ADP, skill and proficiency allowances will be allowed to retain these for a period of up to 12 months. Other allowances will be dealt with under the normal rules.

*NB. this provision is under query: CCSU have asked for at least 6 months' protection for other allowances, ie. shift/weekend premia, location and responsibility supervisory allowances.

MANAGEMENT IN CONFIDENCE

12. If an officer elects to be regraded into a grade which has a lower pay scale than his existing grade he may retain his existing scale pay on a mark-time basis, even if it exceeds the maximum for the new grade.

CIVIL SERVICE NATIONAL WHITLEY COUNCIL AGREEMENT ON EYESIGHT SCREENING OF USERS OF VISUAL DISPLAY UNITS

INTRODUCTION

1. This agreement between the Official and Staff Sides of the National Whitley Council sets out the arrangements for eyesight screening of staff who operate a Visual Display Unit (VDU).

ARRANGEMENTS FOR SCREENING

2. An eyesight screening test will be offered to staff who are asked to operate a Visual Display Unit (VDU) as a part of their normal duties.
3. The normal method of screening will be by means of a Keystone Telebinocular vision tester, operated by trained nurses, in the office or local area where staff are employed.
4. The screening will identify staff who have visual defects which should be corrected, irrespective of whether or not they are to use VDUs. Such staff will be advised to have an examination by their own optician under the National Health Service.
5. The screening will also identify staff (expected to be about 2% of the total) whose vision will need correction with lenses specifically prescribed for the normal viewing distance of a VDU. Where the Medical Advisory Service certifies that such lenses are necessary, the cost of providing them will be borne by the employing Department.
6. Where a single individual or only a very small number of staff need to be tested and it is not reasonable for this to be done under the normal arrangements using the Keystone equipment, local management will offer time off for an eyesight test under the National Health Service by a local practising optician.
7. These arrangements will be operated with the advice and assistance of the Medical Advisory Service.

REVIEW

8. The arrangements will be subject to review not later than three years after being introduced.

31 March 1980

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ANNEX 2



Minister of State

Civil Service Department

Whitehall London SW1A 2AZ

Telephone 01-273 3000

The Rt Hon Sir Geoffrey Howe QC MP
Chancellor of the Exchequer
HM Treasury
Parliament Street
LONDON SW1P 3AG

Dear Geoffrey,

NEW TECHNOLOGY IN THE CIVIL SERVICE

I wrote to you on 29 July about the discussions with the Civil Service Unions about a national agreement on the introduction of new technology

When I wrote in July, I pointed out that, while the Unions recognised privately that their demand for a no-job-loss guarantee for new technology was unrealistic, they have made it clear that any national agreement would have to contain a no-compulsory-redundancy pledge. Colleagues felt generally that this was an acceptable price to pay, provided that the other terms were right. The Unions were told that Ministers would consider whether or not to give a pledge once the other elements of a national package had been sorted out.

It is now clear that there are two additional outstanding key issues. The first is the Unions' insistence on some form of earnings protection for staff who are displaced as a result of new technology. This might not prove insuperable. But their other major demand, for an across-the-board reduction in working hours, is quite unacceptable and offers no room for compromise.

Most non-industrial civil servants work 41 hours gross (36 net) in London, and 42 hours (37 net) in the provinces. The Unions' claim is for a reduction for all non-industrials to 35 hours net next year, with a further reduction to 34 hours net in 1982. Their main argument is that their members will expect to receive some tangible share in the benefits of new technology in exchange for co-operating with its introduction.

The costs of a reduction would be considerable, and would far outweigh the financial benefits which we can expect from new technology in the next few years. In any event the idea of an hours reduction at the present time is quite unrealistic. Nor can we have the Government explicitly linking the introduction of new technology to a shorter working week.

I therefore see no alternative to outright rejection of the hours claim. It seems highly likely that the Unions will say that they are not prepared to recommend a national agreement to their 1981 Conferences. There may be threats of total opposition to new technology from some quarters.

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So we have to consider our tactics. I think that we should try to avoid an overt breakdown which would only serve to make progress on departmental projects much more difficult to achieve.

Obviously, we cannot allow ourselves to be thwarted over the introduction of new technology. We need to press ahead with the implementation of departmental projects, wherever possible by agreement, but if necessary by administrative action. Past experience has shown that where management has acted decisively it has been possible to get over the obstacles. I believe that individual civil servants are keen to make use of new equipment.

Union attitudes are likely to vary considerably across the Service. There may be widespread pressure for agreements at departmental level setting out the ground-rules against which particular new technology projects can be considered. This would almost certainly lead to Departmental Union Sides demanding even more generous terms. So there would be a risk of leapfrogging and of departments being played off against one another. Departments should take the line that agreements of this sort would be inappropriate until the line talks have reached a conclusion. The crucial thing is to focus discussions on specific projects.

I propose that Departments should follow a consistent line on the outstanding key issues. In particular:

- a. Hours are a national issue. Departments should not make concessions on this. Productivity deals have not so far been a feature of non-industrial Civil Service pay arrangements. Departments should not introduce them piecemeal.
- b. Preservation of allowances might be considered to a limited extent. Skill, proficiency and ADP allowances might be retained for no more than 12 months.
- c. No Department should give a general no-compulsory redundancy pledge. Departments could say that, having assessed the staffing implications of a particular project, there would be no compulsory redundancy arising from that project. Of course, our general aim will be to avoid compulsory redundancy as far as possible.

We must reply to the Unions before Christmas. May I therefore ask that, unless I hear to the contrary by Tuesday, 16 December you are content for me to proceed along these lines?

I am copying this letter to the Prime Minister, other members of Cabinet, Ministers in charge of Departments and Sir Robert Armstrong.

PAUL CHANNON

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