



NBPM
at 6.30
AT 3/11

2 MARSHAM STREET
LONDON SW1P 3EB

✓ CC NO

My Ref: J/PSO/15719/83

3 November 1983

Dear Nicholas,

COMPENSATION TERMS AND THE LONDON REGIONAL TRANSPORT BILL

Tom King wrote to me on 11 October seeking agreement to his proposals for dealing with GLC employees made redundant by the reorganisation of public transport in London.

I recognise your dilemma, but I must say at the outset that I view with concern the idea of introducing legislation which acquiesces in the payment of London Local Act redundancy terms, albeit to a small number of staff. We have made it clear in the White Paper that we intend to disallow Crombie terms and that, as far as abolition is concerned, the general local government terms will apply. It is implicit that we shall also be disallowing other more generous terms, such as London Local Act. Any departure from this line, no matter what we may say about it being de minimis, will create different classes of redundant local government employees and the disparity of treatment will be seized upon both by the unions and by our opponents. There are already some awkward existing precedents - London housing transfers and civil service privatisations for example - and every time we add to that list it becomes that much more difficult to hold the robust line that has been agreed for abolition.

I accept entirely, of course, that you cannot afford the risk of making your Bill hybrid. There is also the point that the insertion of a provision in the LRT Bill to limit redundancy payments could miss the intended target. If there really is no way round this problem, then I fear we must proceed as Tom King proposed. But I cannot stress too highly the dangers inherent in continued inconsistency in our approach to redundancy compensation.

I am copying this to our Cabinet colleagues, the Attorney General, the Minister for the Arts, the Minister for Local Government, and to Sir Robert Armstrong.

Yours
Patrick

PATRICK JENKIN

The Rt Hon Nicholas Ridley MP

~~Local Govt~~ . ~~Relations A 17.~~



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DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

The Rt Hon Patrick Jenkin MP
Department of the Environment
Room N16/13
2 Marsham Street
LONDON
SW1

NBPM 18/11

17 November 1983

Dear Patrick

COMPENSATION TERMS AND THE LONDON REGIONAL TRANSPORT BILL

Thank you for your letter of 3 November in reply to one from Tom King. - *Pl 17*

Of course I accept that we must do all we can to limit the inconsistency in our approach to redundancy compensation. In this case, as you recognise, there really is no way of ensuring consistency without a substantial risk of making the LRT Bill hybrid. Recent events over London Transport have only confirmed that we cannot run the risk of introducing the possibility of serious delay for the LRT Bill.

I am copying this letter to our Cabinet colleagues, the Attorney General, the Minister for the Arts, the Minister for Local Government, and to Sir Robert Armstrong.

Nicholas Ridley
Armstrong

NICHOLAS RIDLEY

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