



Department of Employment

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Prime Minister 4

The Rt Hon Nicholas Ridley MP
 Secretary of State
 Department of Transport
 2 Marsham Street
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JRS

20/3

19 March 1986

Dear Mr. Ridley,

BRITISH RAIL

Since reading your letter of 28 February to John MacGregor I have been considering British Rail's practice of keeping posts open for redundant staff. I am familiar with the argument that the industrial relations problems of manpower changes can be eased if staff, whose jobs are disappearing, can be offered alternative employment. But in an organisation as large as British Rail, and with a fairly high level of staff turnover, I wonder if there is any real need to keep large numbers of posts vacant, except perhaps for a small number of specialist jobs.

Am I right in believing that another reason for this practice is to ensure that rail staff are guaranteed a high level of overtime working? If this is the main reason then it is likely to be a cause of inefficiency, and is unfair to the unemployed who would welcome the chance to work for British Rail.

I would welcome your views on the desirability of retaining this practice, and whether you have discussed with British Rail the reasons for this practice and know of any plans they have to phase out this policy.

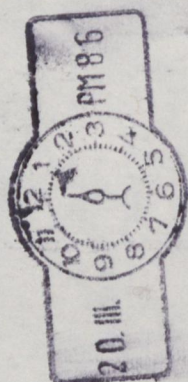
I am copying this letter to the Prime Minister, members of E(PSP) and to Sir Robert Armstrong.

J. M. L.

KENNETH CLARKE

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129 TRANSPORT, BR PE8.



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cc/BG



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R/PSO/3364/86

The Rt Hon Kenneth Clarke QC MP
Paymaster General
Department of Employment
Caxton House
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7 April 1986

Ponie Winter²
BR are still shedding
labour, wet.

Dear Kenneth

BRITISH RAIL

Thank you for your letter of 19 March in which you suggest that it is BR's practice to keep large numbers of posts vacant in order to guarantee a high level of overtime working.

Any organisation of the size of BR and providing the sort of service it does is bound to have a gap between complement and staff in post. Only a small proportion of that gap relates to posts which, for sound management reasons, are held for staff being displaced in the near future. As for the rest, I am sure you will recall that almost 50% of the overtime work relates to Sunday working. This is because BR have always operated on a 6 day week schedule. If it were possible for them to change to a 7 day schedule they would certainly employ more people but at a significantly higher cost than the current arrangements. A further reason for the vacancy gap is the substantial turnover of newly recruited staff. As I mentioned in my letter to John MacGregor, BR need to recruit about 7,000 new entrants each year and up to half of those are lost within the first year.

Since it is BR's policy to maintain service quality as far as possible even where vacancies have not been filled, it is inevitable that they have to rely upon their people to work overtime as necessary. Much of BR's work cannot be postponed. It is certainly not BR's policy, however, deliberately to run short of complement in order to guarantee overtime working. As I made clear in my earlier letter, the amount of overtime worked per employee has been reducing. The Chairman has said that he intends to hold to this trend and considerable pressure is being mounted to step up recruitment. As I indicated in my earlier letter I shall, of course, be keeping a close eye on developments.

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Finally, colleagues may wish to note that the unions have now accepted BR's final pay offer outlined in my letter of 28 February.

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

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Armstrong

NICHOLAS RIDLEY

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Transport: B.R.

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