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CCRG

Prime Minister.

PRIME MINISTER

This may be in the papers
over the weekend.

[Handwritten signature]

ASJ
7/11

LONDON BUSES PAY DISPUTE

You should know that there is a possibility of mounting industrial action affecting London Regional Transport's bus services.

LRT have had a difficult pay round this year, but have managed to negotiate satisfactory deals with most of their staff. The Underground settled at 5.2% and the bus platform staff at 5%, in each case associated with substantial productivity agreements.

No agreement has yet been possible with the bus engineering staff, who have also been offered 5% on basic pay in return for productivity improvements. Negotiations have been protracted and the engineering staff have resorted to an overtime ban which is beginning to affect bus services in London. A final offer by the management, for acceptance by 21 November, will be made at talks with the unions this afternoon. London Buses are reasonably optimistic about the outcome, but if the talks do break down there is a risk that the disruption will be escalated. In that case there may be media reports over the weekend.

I am quite clear that we must get LRT, and its subsidiary, London Buses, our full support in their efforts to improve productivity and efficiency. The bus engineers have no special claim over and above other LRT staff and must contribute to improved productivity if they are to merit the 5% pay increase on offer.

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/ I will of course keep you, and other Cabinet colleagues to whom
I am copying this minute, in touch with developments.

JOHN MOORE

7 November 1986

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ORIGINAL SENT
BACK TO MR UNWIN

CC BG

CC Re

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P 02345

Mr Unwin

From: J B UNWIN
10 November 1986

MR NORRGROVE - NO 10

LONDON BUSES PAY DISPUTE

*Thank you. I shall
find an opportunity to
mention this to the
Prime Minister. JBU 11/11*

Following the Secretary of State for Transport's minute of 7 November to the Prime Minister I have had some further enquiries made today on the CCU net.

2. I understand from the Department of Transport that the settlement date of 21 November was not in fact made an absolute deadline at the meeting between London Regional Transport (LRT) and the unions representing bus engineering staff on Friday last. The unions are expected to reply to LRTs latest offer on Friday this week. Meanwhile, LRT are reported to be maintaining about 90% of normal bus services and do not see the situation deteriorating very much further unless industrial action is unexpectedly stepped up.
3. There is no CCU action to be taken. Even if all LRT buses were off the road measures to cope with any additional road traffic would be a matter to be agreed between the Department of Transport and the Metropolitan Police. I understand there is little likelihood of the dispute attracting support from the Underground staff and therefore any effects on commuters in London are likely to be inconvenience rather than not being able to travel to and from work.
4. I will let you know if there are any significant changes in the situation.

JBU
J B UNWIN