

PRIME MINISTER

Prime Minister²
for information. DER
25/11

LONDON BUSES PAY DISPUTE

Since I wrote to you on 7 November about the industrial action affecting London Regional Transport's bus services, the pay offer has been formally rejected by a group of engineers and there is a likelihood that full strike action may follow.

On 21 November the garage craftsmen, who form a minority of the 3,000 engineering staff, voted to reject the 5% basic pay award with productivity improvements which had been accepted by the vast majority of other LRT staff. Although the remaining staff who are members of the TGWU do not have their ballot until 27 November, LRT management have decided that the craftsmen who continue to work-to-rule are now in breach of contract and will tomorrow be sent home if they refuse to work normally. This in itself would cause mounting disruption but not an immediate shutdown of the bus system.

If the TGWU ballot on 27 November results in a rejection of the pay offer, London Buses could face a total shutdown early next week. Apart from the effect on the travelling public, such a strike would have disproportionate financial consequences for LRT since they are contractually required to continue to pay all London Buses' staff. They estimate the cost to be £3-4 million per week.

If the craftsmen have to be disciplined tomorrow, LRT will make a public statement which emphasises that the whole bus service is effectively being held to ransom by some 200 men - the number of craftsmen whose vote rejected the pay offer. They will say that the Government cannot finance the losses that strike action will cause and measures such as the sale of assets will be required to keep them solvent.



I am sure that we must back the judgement of LRT's management in their attempts to resolve this dispute successfully, in spite of the difficult consequences strike action may have for the travelling public and for the finances of LRT.

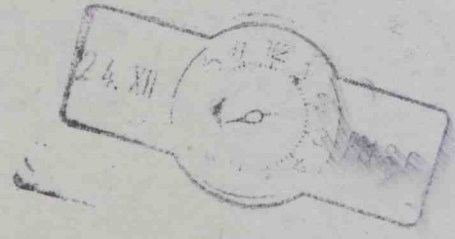
I will continue to keep you and other Cabinet colleagues in touch with developments.

/ I am copying this minute to all members of the Cabinet, to the Chief Whip and to Sir Robert Armstrong.

JOHN MOORE

24 November 1986

TRANSPORT: LRT Dec 83





CONFIDENTIAL

P 02379

From: J B UNWIN
27 November 1986

MR NORCORVE - No 10

cc Brigadier Budd

LONDON BUSES PAY DISPUTE

I have checked on the contingency arrangements relevant to the warning in the Transport Secretary's minute to the Prime Minister of 24 November.

2. In brief, the Department of Transport are in contact with the Metropolitan police to ensure that extra policemen are available for traffic duties should the shutdown occur. There is a MACM plan to provide additional parking facilities in central London by laying down track-way in certain London parks, but the Department do not envisage seeking to implement this only for a bus strike. It is not at present thought that the underground will be affected.

3. We will keep in touch with the developments.

J B UNWIN

Cabinet Office

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