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He did not in the work.
Agree to discuss after 6
on Thursday morning? Feb 20/11

RUNDOWN AT PORTSMOUTH AND CHATHAM DOCKYARDS - REDUNDANCY NOTICES

2. Postponement of this action would have the following disadvantages in the case of both Chatham and Portsmouth:

a. the Unions in both Portsmouth and Chatham are already aware of the broad outline of manpower rundown plans and are expecting redundancy notices to be issued in the next few weeks. We would have to try and explain why there has been a delay and it might be difficult to do this without starting rumours that plans for the implementation of Cmnd 8288 had been changed;

b. it would require us to pay the individuals for the extra period represented by the postponement, notwithstanding that there would be no work for them;

c. the workload, particularly at Portsmouth, will fall dramatically very soon and if we are not to have unmanageable numbers of industrials in amenity centres in the Yards without

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work we shall need to lay off many of them in any case. If we retain extra men the numbers to be laid off will be that much larger;

d. it would be impossible to achieve target numbers on due dates. The administrative system is already heavily loaded and is finding it difficult to pay people terminal benefits within a reasonable period of discharge. Deferring issue of notices would therefore create a week-for-week delay in the programme which could not be corrected by increasing the numbers eventually discharged on any given date.

3. However, to go public this Friday on a further 360 redundancies at Portsmouth (which is what the present plans would mean) will, I believe, produce a hostile public reaction when set against the Falkland Islands crisis and, in the case of Portsmouth, the public perception of what the Base has achieved over the past two or three weeks in getting the Fleet to sea. My judgement is that the public perception in the immediate future and the possible, but as yet impossible to quantify, future increased dockyard load in the aftermath of Operation Corporate point to the postponement of the issue of further redundancy notices at least for a few weeks, by which time it should be possible to assess the future loading of the dockyards more accurately. I have therefore decided to postpone the issue of the Portsmouth notices until mid May. This could, if necessary, be presented publicly as bringing the timing into line with that which will apply at Chatham.

4. We have, of course, to be prepared to face the worst case of a lengthy operation in the South Atlantic. It will therefore remain open to question as to whether there will be a more opportune time in the near future to implement the redundancies. If, for instance, we decided now to postpone any further redundancies for some time we must recognise that this would mean both very substantial extra cost in retaining at least 700 men at Portsmouth (and a similar number at Chatham) whom we were not by any means

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sure we would need and would place achievement of the 1984 closure date in severe jeopardy. It would also cast doubts, both Union and public, on our intention to carry through our Cmnd 8288 decisions.

5. The Unions at Portsmouth are expecting the details of the further redundancy and are aware in general terms of the numbers involved.

6. In view of the implications for our defence, economic and employment policies I would welcome the opportunity to raise these issues with my colleagues (perhaps at Cabinet tomorrow). I am copying this minute to the Chancellor of the Exchequer, the Secretaries of State for Employment, the Environment and Industry and to Sir Robert Armstrong.

NHL (Private Secretary)

*[Draft approved by Mr Mott and
signed in his absence]*

John Nott

Ministry of Defence
19th April 1982

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PRIME MINISTER

There was no opportunity for
Mr Nott to discuss his minute attached
after E this morning.

Are you content for us to set up
the meeting he suggests in the last
paragraph of his minute ?

Yes

AKW

Good.

AKW

27W.

Mr. W. K. W. more

Meeting not
required.

22 April 1982

C.S.

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