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PRIME MINISTER

PUBLIC SECTOR PAY MONITORING REPORTS

... .. On this occasion I am circulating with this minute both the public services and public trading sector monitoring reports. The former is normally handled through PSP(O) and E(PSP), but there will not be time for that before the holiday.

2. I minuted you on 18 December about what I see as the major issues on public sector pay at the moment. I have only two points to add here.

3. First, I mentioned in my minute to you of 16 December that I thought we needed proposals on the nature of the longer-term pay arrangements for the nurses before we could take discussions with them much further. I think that it would be a useful first move if Norman Fowler would circulate a paper to E(PSP) setting out his views. Such a paper might also usefully cover the prospects for nurses' pay in the present pay round. This could become a live issue at any time and we must not lose sight of it.

4. Secondly, the Post Office have implemented an arbitration award for postal supervisors which seems to amount to about 17 per cent at an annual rate. (It relates to the last pay round.) The Post Office have now taken steps to terminate the arbitration arrangement which led to this result; but I think that it serves to reinforce the case for a settlement in this pay round which is within the 4 per cent pay assumption underlying the Post Office EFL. This is a point which Patrick Jenkin will no doubt wish to register with the Chairman when he has an opportunity.

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5. I am copying this minute to members of E(PSP), the Home Secretary, the Secretaries of State for Industry, Trade, Transport and Energy, and to Sir Robert Armstrong and Mr Ibbs.

(G.H.)

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## PUBLIC SERVICE GROUPS CURRENT OR FORTHCOMING NEGOTIATIONS

### 1. Alliance of Public Sector Unions

When PSP(O) met on 11 November the Department of the Environment was invited to prepare in consultation with the Treasury, the Department of Employment, the Department of Education and Science, the Department of Health and Social Security and other departments concerned a report for Ministers drawing together such evidence as was available on the co-ordination of public service pay negotiations and discussing the steps, if any, that the Government might take to improve its own negotiating position and that of other public service employers. The only new development since then is that the non-industrial civil service unions have put in a claim well in advance of their normal negotiating date (see para 10).

### 2. Local Authority Manual Workers (GB) (1,077,000)

Settlement date : 4 November

Unions : GMWU, NUPE, TGWU

The union's claim for an increase in basic rates in line with inflation; a shorter working week, and longer holidays, is worth about 15 to 16% in total. At the National Joint Council meeting on 10 December an offer (which the unions have agreed to put to members) was made putting £4.60 per week on basic rates for full-time workers, a reduction of one hour in the working week (to 39 hours) in November next year and making the two additional days of holiday for employees with 5 or more years of service instead of after 10 years. Unions estimate that the package is worth from 6.3 to 7.8% on rates and employers have estimated that it will add 6.9% to the current paybill and about the same on earnings (though this depends on the effect of the concessions on hours and holidays). The offer is now to be put to union members without a recommendation; the outcome is not likely to be known until the next National Joint Council meeting on 25 January. /

#### Comment

This offer sets a target figure for other public service negotiations. It is also 'end-loaded' in that any nett cost following from the hours reduction would not be felt until financial year 1982/83 and, in full, until 1983/84. The LA employers freely admit that the level of the offer implies a loss of manual jobs and/or higher rates. This is the first major public service group to negotiate in the pay round. The offer is bound to influence negotiations for other local government groups, the NHS ancillaries and indeed the pay round generally.

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3. LA Craftsmen

Settlement date : 4 November

Unions : UCATT, TGWU, GMWU, FDATU, CSEU

A number of groups of local authority craftsmen with settlement dates in November are likely to follow the settlement for the LA manuals. The most important of these are the LA Building Trade Operatives (76,000) and the LA Engineering Craftsmen and Electricians (15,830) in England and Wales. In Scotland, the electricians (1,405) have put in a claim in line with the electricians in the private sector (worth about 20%). A meeting is planned for 18 December and it is understood that the engineering craftsmen (1,587) are to discuss their claims (no details yet available) at a meeting on 23 December.

4. LA Manual Workers - Water (Scotland) (2,135)

Settlement date : 1 December

Unions : GMWU, TGWU, NUPE, NUAAW

At a meeting on 15 December, the employers asked for more time to consider a suitable offer. The National Joint Council next meets on 11 January when an offer is probable. Meanwhile, LA employers will meet the Minister on 18 December to underline the unsatisfactory situation stemming from differences in the negotiating machinery and financial accountability of the Scottish water employers vis a vis their counterparts in England and Wales.

Comment

These workers were transferred from the Regional Water Boards to Local Authorities in May 1975. Employers' attempts to move this group into the negotiating machinery for other LA employees have been unsuccessful.

5. NHS Maintenance Workers (24,000)

Settlement date : 1 January

Unions : EETPU, CSEU, NUPE, COHSE, TGWU, GMWU, UCATT

When negotiations with the Health Departments begin, EETPU will lead on behalf of electricians and plumbers whose 1 January 1982 rate will be the basis for negotiations with fitters and semi skilled engineers within the common craft structure. A settlement for NHS building trades operatives can then follow.

Comment

Negotiations for electricians are dominated by a longstanding link, giving parity on the hourly rate, between the basic grade of NHS electricians and the approved electrician in the electrical contracting industry (private sector). A private sector offer of around 7% (in response to a 20% claim) is believed to have been rejected by the union and subsequently withdrawn by the employers. A further meeting is

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expected very shortly (possibly 17 December). It seems unlikely that the NHS electricians will seek to make common cause with other public service groups if they could obtain their own objective. The employers' side will be influenced by the cash available and this may make it difficult to match the rate increase for the private sector. Nevertheless it will be difficult for them to justify increases out of line with private sector rates. At E(PSP)5th meeting the Secretary of State for Social Services agreed to keep the Sub-Committee informed of developments.

## 6. NHS Nurses and Midwives (492,000)

Settlement date : 1 April

Main Unions : COHSE, NUPE

The traditionally moderate Royal College of Nursing is becoming increasingly militant about pay and nurses in TUC trade unions are covered by the TUC Health Service Committee plans for a common core claim (see para 1). The RCN is reported to be holding a series of public regional meetings in a campaign to gain public sympathy. So far as the 1982 pay negotiations are concerned Cabinet decided on 26 November that no additional money should be made available above the 4% pay, factor although the Secretary of State for Social Services indicated that he may have to re-open this decision. The NHS management side chairmen were informed of this on 2 December by the Secretary of State. It is possible that a claim will be presented in mid-January. Negotiations will be influenced by the desire of the nurses to obtain a new basis for future pay determination. On 10 December the Secretary of State met the staff side of the Nurses and Midwives Whitley Council and assured them that a high priority would be given to future pay arrangements. He hoped that the two sides would meet again soon, and that would be followed by another meeting at the end of January at which both sides of the Whitley Council would be present. At that meeting there would be a substantive discussion of possible approaches to the longer term arrangements but he made it clear that no final decisions could be made before the outcome of the Megaw inquiry was known. The current pay round was not discussed but the staff side pointed out that they would be looking for increases in excess of 4% as tangible evidence of the Government's good faith. The staff side were reported to be reassured that priority would be given to future pay arrangements and they are to meet the Prime Minister on 18 December.

### Comment

They are most unlikely to settle at 4% in this round. They are also greatly concerned about future arrangements for determining their pay; and wish to ensure that they do not fall behind again. They probably have in mind special treatment like firemen, the police and the armed forces. Firm undertakings about the future may help over negotiations in this round. But any commitments of this kind will be hard to reconcile

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with the Government's general approach to public service pay and to its approach over civil service pay in particular.

## 7. NHS Professions Supplementary to Medicine (26,500)

Settlement date : 1 April

Unions: Various professional bodies.

It is understood that the 1982 claim is to be presented at the Professional and Technical 'A' group council meeting on 17 December. It is likely to be for an increase in line with the cost-of-living, shorter hours and improved allowances.

### Comment

This group will be paying close attention to developments in the nurses' negotiations. <sup>Other</sup> Professional and Technical groups are expected to put in claims in January.

## 8. NHS Ancillaries (265,000)

Settlement date : 1 April

Unions : NUPE, GMWU, TGWU, COHSE

At a meeting on the Whitley Council on 11 December, the staff side indicated their intention to make a written claim in the course of the next month reflecting changes in earnings and prices year on year and preserving what they see as traditional links with local authority groups. The next meeting is fixed for 22 January.

### Comment

The provisional settlement for local authority manuals will clearly be a model for these negotiations, particularly since the trade union negotiators are much the same for the two groups.

## 9. Teachers - Primary and Secondary & FE (E&W) (558,000)

Settlement date : 1 April

Main Unions : NUT, NAHT, AMMA, NATFHE, NAS/UWT

On the Burnham committee meeting on 8 December, teachers unions presented a 1982 salary claim for an increase in line with inflation. The employers have received this indeterminate claim without comment and will respond in due course possibly at the next meeting (19 January 1982). There is a press report that the further education teachers are to put in a similar claim.

### Comment

The early initiative four months before the settlement date (1 April) is thought to be in support of the emerging public service trade union alliance. The signs are

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that the teachers are not anxious to press for an early settlement ahead of the major pay groups.

## 10. Non-Industrial Civil Service (534,000)

Settlement date : 1 April

Unions : FDA, SCPS, CPSA, CSU

On 8 December the unions submitted a claim for a general salary increase from April 1982 of 13 per cent with an underpinning minimum of £12.50 plus improvements in annual leave. Detailed supporting evidence is expected shortly. The preliminary assessment is that the claim would add about 14 per cent on average to basic rates plus 1 per cent for the leave improvements.

### Comment

The unions are seeking an early meeting to discuss their claim and exploratory talks are expected to start in January. The Government has given an undertaking that there will be genuine negotiations without a predetermined cash limit and that in the event of disagreement there will be access to arbitration <sup>subject</sup> to a Parliamentary override. The outcome of the civil service negotiations will have implications for other public service groups.

## 1980/81 Pay Round

### 11. London Weighting

(a) Teachers - Primary, Secondary and FE (E&W) (558,000; 110,061 affected)

Settlement date : 1 April 1981

Main Unions : NUT, NAHT, AMMA, NATFHE, NAS/UWT

An offer of 7½% for Inner and Outer London remains on the table. If the teachers request arbitration the Secretary of State for Education and Science's representatives will argue and vote against access to arbitration on the Management Side but at the end of the day will not seek to veto. At a meeting of 8 December the claim and offer were repeated and no progress made. The matter remains in abeyance until the next meeting on 19 January.

(b) Local Authority White Collar Grades (596,000; 75,000-80,000 affected)

Settlement date : 1 July 1981

Main Unions : NALGO, GMWU, NUPE, TGWU, COHSE

An offer of 7½% has been rejected in the Executive Committee of the NJC. The unions are considering a bid for arbitration (to which they have unilateral access). The unions are still consulting members on the position.

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## Comment

At E(PSP)(5th meeting) it was agreed that no useful measures were open to the Government in respect of a possible reference to arbitration of local authority white collar grades. When the Secretary of State for Employment's paper [E(81)36] on Arbitration Arrangements in the Public Sector was discussed in E Committee on 30 November it was decided that the Secretary of State for the Environment should discuss arbitration arrangements with local authority employers when a suitable opportunity arose. The leak of the Department of Employment's note on arbitration, which went recently to E Committee, is unlikely to make change easier.

(c) Police (118,520; 26,000 affected)

Settlement date : 1 July 1981

Main Union : Police Federation

A claim for an increase based on changes in the DE London Weighting indices worth 14.8% has been made. An offer of 7.5% was rejected at a meeting of the Police Negotiating Board on 28 October. At the latest conciliation meeting which took place on 7 December the 2 sides moved closer to a settlement. This would mean an increase in London Weighting from £588 to £657pa (11.7%) linked with the phasing out of the £50 'excess factor' (first brought in to compensate for manning problems) over two years. There would be an undertaking that the separate London allowance introduced by Edmund-Davies would not be increased in 1982.

## Comment

Such an award would have repercussions for public service groups generally. The Home Secretary has power to modify an award but has written to colleagues seeking agreement to implement the award.

(d) Armed Forces (334,000; 15,300 affected)

Settlement date : 1 April

The Armed Forces Pay Review Body has submitted to the Prime Minister its recommendations for a review of London pay for the Armed Forces. Increases in line with the Department of Employment's London Weighting indices (estimated at 12.5%) are recommended.

## Comment

Implementation of this award would have implications for current negotiations about London Weighting for other groups. The Secretary of State for Defence has written to colleagues inviting agreement to his recommendation to the Prime Minister that the award be accepted.

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(e) NHS (150,878 affected)

Settlement Date : 1 July

Main Unions : COHSE, NALGO, NUPE, ASTMS, GMWU, TGWU

On 28 November an offer of 6% was made in line with the 1981-2 pay factor. The staff side have rejected it and have written to the Secretary of State asking him to intervene. The management side are aiming for a settlement as early as possible in January, since there would be difficulties in financing a settlement made after the end of the financial year.

## 12. Regrading Disputes

(a) Registrars of Births, Marriages and Deaths (1,700)

[ Settlement date : 1 July 1981 (main settlement concluded) ]

Unions : NALGO, SORO

There is still no progress in this dispute on grading. An offer described as a job evaluation or a comparability exercise has been on the table for some time but has been turned down by the unions. Limited industrial action continues. The unions are to call a delayed conference to consider their position. Employers are understood to be considering reducing the salaries of those not carrying out their full duties.

(b) Meat Inspectors (600)

Settlement date : 1 July 1981

Union : NALGO

Meat inspectors employed by the local authorities throughout the country began a work-to-rule in mid-September in support of a claim for regrading. The claim is believed to be founded on additional duties and worsening working conditions experienced. The inspectors have voted against going on all-out strike. The action is having little effect on supplies.

### Comment

The local authority employers fear that any concession will have implications for the grading of other local authority employees.

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## PUBLIC SECTOR SETTLEMENT DATES IN THE NEXT FIVE MONTHS

<u>SETTLEMENT DATE</u>	<u>NEGOTIATING GROUP</u>
1 January 82	NHS Maintenance Workers (24,500)
1 January 82	British Airways (50,000)
1 January 82	British Steel Corporation (110,000)
1 January 82	Municipal Bus Platform Staff (15,200)
1 January 82	National Freight Co (17,000)
18 - January 82	Gas Supply : Manuals (41,300)
1 February 82	Electricity Supply : Technical Engineers (29,300)
1 March 82	National Bus Co Platform Staff (34,300)
20 March 82	Electricity Supply : Manuals (94,000)
28 March 82	LT Bus Drivers and Conductors (19,800)
1 April 82	Armed Forces (334,000)
1 April 82	Civil Service - Non-industrials (508,300)
1 April 82	NHS - admin and clerical (123,000)
1 April 82	NHS - ambulancemen (17,000)
1 April 82	NHS - ancillary workers (213,000)
1 April 82	NHS - doctors and dentists (94,150)
1 April 82	NHS - nurses and midwives (492,000)
1 April 82	Professions Supplementary to Medicine (126,500)
1 April 82	Medical Laboratory Scientific Officers (16,390)
1 April 82	Teachers - primary and secondary (480,000)
1 April 82	Teachers - primary and secondary and FE (Scot) (63,200)
1 April 82	University manuals (21,000)
1 April 82	University non-clinical academic staff (39,000)
1 April 82	BBC - all grades (27,507)
1 April 82	British Airways - pilots (3,500)
1 April 82	British Shipbuilders (68,000)
1 April 82	Post Office - UCW postal grades (156,500)
20 April 82	British Rail - Clerical and conciliation grades (150,000)
20 April 82	British Rail - W/shops grades (57,000)



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20 April 82  
22 April 82  
22 April 82  
1 May 82

London Transport rail conciliation grades (14,500)  
London Transport rail w/shops grades (3,550)  
London Transport road w/shops grades (3,300)  
Electricity Supply - clericals (47,400)

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ANNEX 2

## KEY TO ABBREVIATIONS

ACTSS	Association of Clerical Technical and Scientific Staff
AMMA	Assistant Masters' and Mistresses' Association
APEX	Association of Professional, Executive, Clerical and Computer staff
ASTMS	Association of Supervisory, Technical and Management Staff
AUEW	Amalgamated Union of Engineering Workers
BALPA	British Airline Pilots Association
COHSE	Confederation of Health Service Employees
CMA	Communication Managers' Association
CPSA	Civil and Public Servants Association
CSEU	Confederation of Shipbuilding and Engineering Unions
EETPU	Electrical, Electronic, Telecommunication and Plumbing Union
FTATU	Furniture, Timber and Allied Trades Union
GMWU	General and Municipal Workers Union
ISTC	Iron and Steel Trades Confederation
LACSAB	Local Authorities' Conditions of Service Advisory Board
MATSA	Managerial, Administrative, Technical and Supervisory Association
NAHT	National Association of Head Teachers
NALGO	National and Local Government Officers' Association
NAS/UWT	National Association of Schoolmasters and the Union of Women Teachers
NATFHE	National Association of Teachers in Further and Higher Education
NCCC	National Craftsmen's Coordinating Committee
NAAAW	National Union of Agricultural and Allied Workers
NUB	National Union of Blastfurnacemen
NUM	National Union of Mineworkers
NUPE	National Union of Public Employees
NUT	National Union of Teachers
NUSMWC	National Union of Sheet Metal Workers, Coppersmiths, Heating and Domestic Engineers
SCPS	Society of Civil and Public Servants
SIMA	Society of Registration Officers
SORO	Society of Registration Officers
STAMP	Supervisory, Technical, Administrative, Managerial and Professional Section of UCATT
TGWU	Transport and General Workers Union
UCATT	Union of Construction, Allied Trades and Technicians

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PUBLIC TRADING SECTOR

1     British Telecom:     HCO, EO and HEO grades (7,000)  
      Settlement date:     1 July 1981  
      Union:                SCPS

SCPS members voted by a narrow majority to reject an offer worth 10% on earnings which all other BT negotiating groups have accepted. The union contends that management have not observed an agreement to give their members parity with the more favourable pay rates of executive engineers.

Limited industrial action by SCPS members has led to delays in the issue of phone bills in the London area.            BT issued an ultimatum that unless industrial action ceased by 11 December, the 10% pay offer would be withdrawn. However the union executive have voted by 3 to 2 against strike action. They are to meet management to discuss a return to work. This indicates they are willing to accept the offer. However, the position of data processors is not yet totally clear.

2     Post Office:     Postal Supervisors etc (14,800)  
      Settlement date:     1 July 1981  
      Union:                CMA

The CMA rejected an offer of 11% increase on paybill\* which included a 7% forward commitment, payable from 1 July 1981, from the 1980 pay and efficiency agreement. The union made a unilateral reference to the Post Office Arbitration Tribunal, and the case was heard on 19 November. In its award the POAT recommended that the present settlement should be 14.5% on paybill\* to apply from 1 July 1981 to 31 March 1982, thereafter the annual settlement date to become 1 April. The award comprises 7% representing a forward commitment from the 1980 pay and efficiency agreement, plus 7.5% for the 9 month settlement 1 July 1981 to 31 March 1982. The PO has accepted the award and the parties are to discuss its application to existing pay scales. The PO Chairman has given the PO unions the six months notice required to terminate the present arbitration agreements, which, although not legally binding, commit both parties (the PO subject to any statutory obligations) to accept the POAT findings.

\* The effect on basic rates or average earnings is not available



- 3 United Kingdom Atomic Energy Authority: Manuals (4,700)  
Settlement date: 1 October 1981  
Unions: AUEW, TGWU, GMWU, EETPU

The Authority's opening offer of a 4.5% increase on rates was rejected on 15 September. At the next meeting on 25 November, Management improved the offer to 5% on rates and agreed to consider a possible 1 hour reduction in the working week. Union negotiators reserved their reply. The parties agreed to meet again, at a date to be arranged in January.

- 4 Coalmining: Manuals (198,000)  
Settlement date: 1 November 1981  
Union: NUM

On 6 October the NUM presented the NCB with a claim for -

£100 a week basic minimum for surface workers (an increase of 23.7% on present rates); payment on a salary basis; improved differentials; reduced hours, preferably in the form of a 4-day week; improved holiday pay; and earlier optional retirement, at age 55.

On 8 December - after 4 negotiating meetings - the Board's offer stood at 9.1% on basic rates (estimated at 7.3% on average earnings) plus some incentive payment, and a summer holiday bonus for long-service workers, at an overall cost of £99.97 million. NUM negotiators rejected the offer and on 10 December the union executive decided to convene a special delegate conference on 18 December to consider their negotiators rejection recommendation, and to arrange for a pithead ballot on 14 and 15 January to seek members' support for strike action, if necessary. On the same date the Board restructured and slightly improved their offer to £102 million (which, they say, is equivalent overall to 9.3% on rates.

It is reported that of the £102 million, the Board has now allocated £93.6 million to increasing basic rates and the remainder to the provision of service payments as a Christmas bonus, instead of a holiday bonus next year. The effect of the offer on average earnings is estimated to be 7.44%. This latest NCB initiative was also rejected and the NUM arranged a special delegate conference on 18 December which overwhelmingly endorsed (by 109 votes to 3) the NEC decision.



There will be a  
/ pithead ballot probably on 14 and 15 January. The result  
of the ballot is likely to be known by 18 and 19 January. If a strike is  
voted for, it is not likely to begin before 25 January.

Comment

The miner's settlement can be expected to influence the general shape of the round despite the fact that most other unions recognise that they may not be able to achieve the same level. In particular the settlement will be taken as a benchmark for other major groups in the public utilities.

The 9.3% figure as presented by the NCB has been widely quoted rather than the lower (around 7½%) figure on actual earnings. The higher figure has become a target for other powerful groups in the public utilities, and has already been  
/ <sup>more than</sup> matched by the water workers (8.8% offered on earnings).

5     Water Services:     Manuals (30,000)  
          Settlement date:     7 December 1981  
          Unions:             GMWU, TGWU, NUPE, NUAAW

The unions have claimed pay increases not less than the rate of inflation, reduced hours and extra annual holidays. The employers' opening offer of a 6.7% increase on basic rates and one additional day of holiday, was improved first to 8.1%, then on 8 December to 9.1% on basic rates and one day's holiday. The offer also includes a commitment to consider jointly the position of this group in relation to the earnings of manual workers in the economy generally.

Union leaders agreed to recommend acceptance of the last offer to their members. The procedures involve a ballot of NUPE members and a GMWU delegate conference, and the results are expected about mid-January. However it is now reported that NUPE are no longer prepared to recommend acceptance to its members.

The effect of the offer on average earnings is likely to be 8.8%

Comment

Water service manuals' settlements are influenced by the coal miners and interact with the other utilities' settlements (Gas 18 January Electricity February/March). They may also influence the negotiations with the Local Authority manual workers. The Scottish local authority water service have for the last two years directly followed the settlement for English and Welsh water workers.

The early offer of an increase in <sup>basic rates</sup> /excess of 9% and worth more than is on offer to the miners has set a target which other unions in the public utilities will expect to match. In addition the forward commitment may influence negotiations in future years.



6. Water Service Craftsmen (5700)

Settlement date: 7 December 1981

Unions: Confederation of Ship Building and  
Engineering Workers Unions

Negotiations for this group take place in a committee of the manuals NJIC. The unions had submitted a claim which varied from that of the manuals only in detail. At a meeting of the committee on 15 December the employers made an offer of increases in basic rates and holiday entitlements in line with that made to the manuals, except that there was no commitment to a study of relative earnings. The unions agreed to recommend the offer to their members and a formal response is expected on 6 January.

Comment

On the basis of past experience the employers are confident that the recommendation will be enough to ensure acceptance. Early acceptance by the craftsmen may have some influence over the decision by the manual workers.



7 British Steel Corporation: All grades (108,600)  
Settlement date: 1 January 1982  
Unions: ISTC, GMWU, TGWU, NUB, NCCC, MATSA, SIMA

The BSC survival plan envisages a reduction in the work force to 90,000 by April 1982 and no national pay award: any pay increases during 1982 must be geared to local level productivity deals. In their present situation BSC have also decided not to introduce a 39-hour week from 1 January 1982, as was conditionally agreed after the Lever Committee of Enquiry ended the 1980 strike. In addition, without prior union consultation, BSC recently issued nearly 500 redundancy notices to workers at the Port Talbot plant.

ISTC (with some 60,000 members) have threatened concerted industrial action by steel, coal and rail workers ("the triple alliance") if any major steelworks are closed. An overtime ban and a series of one day strikes may be called if the Port Talbot redundancy notices are not withdrawn. Members have been instructed to take no part in local productivity talks.

BSC and ISTC have had a number of discussions on the overall situation between 19 November and 8 December without reaching an accommodation. After an executive meeting on 9 December, ISTC said that BSC would face industrial action unless concessions were made, specifically on the Port Talbot notices, the 39-hour week, and the payment of a least 50% of any local pay awards for de-manning into basic rates.

No date has been fixed yet for a resumption of talks. Unlike ISTC, the craft and service unions NUB and the management association (SIMA) (altogether some 48,000) have agreed for 1982 to negotiate local productivity deals. In return BSC agreed to consolidate some productivity payment into basic rates, to improve certain pension conditions from April 1982, and to introduce the 39-hour week from 1 January 1983.

8 British Airways: (a) All grades (excluding pilots) -50,000 (b) Pilots 3,500  
Settlement dates: (a) 1 January 1982 (b) 1 April 1982  
Unions: TGWU, AUEW, EETPU, NUSMWC, ACTSS, APEX, ASTMS, GMWU, FTATU, UCATT

On 10 September British Airways announced a "rescue plan" aimed at stemming losses of some £100 millions in the current year and £250 millions in the two years period to April 1982.

So far as staff and pay are concerned the plan involves a reduction of 9,000 jobs by June 1982, by early retirement, voluntary severance and natural wastage, and a pay freeze at least until September 1982, when the situation will be reviewed. Other features of the plan include the renegotiation of many working practices cuts in routes and stations, and the sale of aircraft and property.

An unexpectedly high response to the severance scheme has been reported and so far there is no indication of union resistance to the proposals.



9 Gas Supply: Manuals (41,300)  
Settlement date: 17 January 1982  
Unions: GMWU, TGWU

The unions have submitted a claim to Management covering -

- (1) An increase in rates to maintain the value of the pay packet - taking account of both inflation and taxation levels.
- (2) A reduction in working hours.
- (3) Consolidation into basic pay of bonus earnings and "general obligations payment".
- (4) Payment of average earnings during holidays.
- (5) Improvements in shift and stagger pay.
- (6) A change in the basis of awarding local holidays.

Management have said that this "ambitious and complex" claim will be studied in detail. The next NJIC meeting will be held on 13 January 1982.

Comment

These negotiations are strongly influenced by the miners' settlement and have repercussions for the Electricity Supply Manuals (March 1982). The Gas, Electricity and Water industries closely watch each other's negotiations.

10 Municipal Buses: Platform and non-craft maintenance staff (15,200)  
Settlement date: 1st full pay week in January 1982  
Unions: TGWU, GMWU

The unions have submitted in writing to the Employers' Side of the NJIC for the Passenger Transport Industry a detailed case in support of a national claim for:

- (1) A substantial increase in basic rates.
- (2) Extension of current holiday entitlement to 5 weeks.
- (3) Bank holidays to be treated as annual holidays for pay purposes.
- (4) Consolidation into basic rates of current supplement for S/S and U/S Maintenance workers coupled with a restoration of the differential with Municipal Passenger Transport Undertaking Craftsmen.
- (5) A reduction without loss of earnings in the scheduled working week.

On 4 December the employers offered a 4% increase on rates which was rejected. Following that meeting, the TGWU issued a press release threatening industrial action on a national scale if the employers offer is not increased substantially. The next meeting will be held on 8 January at which the employers are likely to table an improved offer.



Comment

The Municipal Bus settlement is closely followed by the National Bus Co (March 1982), most of the Passenger Transport Executives (January to April), and in May by London Transport. The outcome of the municipal negotiations can be expected to influence all these settlements.



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